



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: June 10, 2015

SUBJECT: Study Session Agenda for June 15, 2015

PREPARED BY: Don Tripp, City Manager

Please Note: Study Sessions and Post City Council meetings are open to the public, and individuals are welcome to attend and observe. However, these meetings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to next Monday night's Study Session, the following schedule has been prepared:

A light dinner will be served in the Council Family Room 6:00 P.M.

CITY COUNCIL REPORTS

1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

PRESENTATIONS

6:30 P.M.

1. Legislative Session Wrap Up – Tomlinson & Assoc. - **verbal**
2. 2014 Comprehensive Annual Financial Report and Management Letter
3. GIS Presentation - **verbal**
4. Downtown Westminster – Development Update – **verbal**

EXECUTIVE SESSION

1. Discuss strategy and progress on negotiations related to economic development matters for Downtown Westminster, disclosure of which would seriously jeopardize the City's ability to secure the development; discuss strategy and progress on the possible sale, acquisition, trade or exchange of property rights, including future leases; and provide instruction to the City's negotiators on the same as authorized by WMC Sections 1-11-3(C)(2), (4), and (7) as well as Colorado Revised Statutes, Sections 24-6-402 (4)(a) and 24-6-402(4)(e) - **Verbal**

INFORMATION ONLY ITEMS

Additional items may come up between now and Monday night. City Council will be apprised of any changes to the Study Session meeting schedule.

Respectfully submitted,

Donald M. Tripp
City Manager

NOTE: Persons needing an accommodation must notify the City Manager's Office no later than noon the Thursday prior to the scheduled Study Session to allow adequate time to make arrangements. You can call [303-658-2161](tel:303-658-2161) /TTY 711 or State Relay) or write to mbarajas@cityofwestminster.us to make a reasonable accommodation request.



WESTMINSTER

Staff Report

City Council Study Session Meeting
June 15, 2015



SUBJECT: 2014 Comprehensive Annual Financial Report and Management Letter

PREPARED BY: Tammy Hitchens, Finance Director

Recommended City Council Action

Review and discuss the 2014 Comprehensive Annual Financial Report (CAFR) and the Auditor's Communication to City Council and Management on the scope and results of the City's annual financial audit.

Summary Statement

Finance staff along with Audit Director Marcie Ardan of BKD, LLP, the City's independent audit firm, will present to Council the 2014 CAFR and discuss the audit scope and results. The CAFR is scheduled for formal acceptance at the Council meeting on June 22, 2015.

The City has received an unmodified opinion from BKD, LLP. This means the CAFR represents fairly the financial position of the City.

This Staff Report reviews the financial highlights of the CAFR and is accompanied by BKD's letter to Council and Management, which discusses items significant to the audit including financial estimates, financial statement disclosures, audit adjustments and auditor communications with management.

The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the last 31 consecutive years. Staff believes our current report continues to conform to the certificate program requirements, and will be submitting this report to GFOA for consideration.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Section 9.10 of the City Charter requires that an independent audit be conducted at least annually in accordance with generally accepted accounting principles as they pertain to governments for all funds reported in the Comprehensive Annual Financial Report. The audit is required to be conducted by Certified Public Accountants, experienced in municipal accounting. The 2014 audit was performed by BKD, LLC, Certified Public Accountants.

Alternative

Require Staff to make changes to the report. Minor changes could be made to the report without affecting the audit opinion; however, major changes may result in the report not being in compliance with generally accepted accounting principles as they pertain to governments and could result in a change of the auditor's opinion.

Background Information

Each year Finance staff prepares a CAFR and contracts with an independent auditor to conduct an audit of the City's financial statements. The 2014 CAFR received an unqualified opinion from BKD, LLP, the City's independent auditors. An unqualified opinion indicates that the financial data of the City is fairly presented according to generally accepted accounting principles.

Financial Highlights

- Government-wide: Combined net position of governmental and business-type activities increased \$38.4 million, including a \$25.9 million increase in governmental activities net position and a \$12.5 million increase in business-type activities net position.
- General Fund: The fund balance of the General Fund increased \$6.5 million in 2014. Of the \$37.3 million ending fund balance, \$25.1 million was unassigned and available for future spending. Sales and use tax funded \$64.2 million, or 64.7%, of General Fund operations.
- General Capital Improvement Fund: Operating revenues decreased by \$0.6 million and expenditures increased \$0.5 million over 2013. These changes as well as interfund transfer activity resulted in an increase in Fund Balance of \$2.9 million.
- Westminster Economic Development Authority: Fund balance decreased \$7.8 million to \$45.1 million primarily due to capital project activity. \$44.5 million of fund balance is either nonspendable property held for resale or restricted for capital additions and improvements as well as debt service.
- Utility Fund: Net Position increased \$11.3 million to \$429.5 million in 2014. This is primarily the result of one-time tap fee and developer contributions totaling \$7.1 million as well as an increase in charges for services as a result of increased demand.
- During 2014, the City adopted Governmental Accounting Standards Board Statement No. 70 (GASB 70), *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASB 70 requires a government to account for and disclose its commitment to indemnify a holder of a financial obligation if the entity does not fulfill its payment requirements.

Adoption of GASB 70 resulted in the addition of a note to disclose the City's moral obligation pledge on certain WEDA borrowings. A moral obligation is a pledge by the City Manager to request of Council that the City replenish the reserve fund associated with the respective debt issue to the minimum required per the bond indenture or loan document should it become necessary. While Council may consider, it is not obligated to fulfill this request.

- In evaluating GASB Statement 67, *Financial Reporting for Pension Plans*, it was determined that the Volunteer Firefighter Pension Trust Fund no longer meets the criteria to be reported as a fiduciary fund of the City. Until 2014, the Volunteer Firefighter Pension Trust Fund was presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position as a defined benefit retirement plan. In 2001, plan assets were transferred to the Fire and Police Pension Association of Colorado (FPPA) to manage through an agent multiple-employer plan arrangement. With managerial responsibility for the plan, FPPA reports the Volunteer Firefighter Pension Trust in its audited annual financial report. The City continues to provide disclosure about the plan in Note 3 – Other Information, Part I of the Financial Statements as required by the Governmental Accounting Standards Board.
- Fixed asset additions totaling \$26,344,950 for governmental activities and \$19,843,659 for business-type activities were provided for with pay-as-you-go resources, grants awards, debt proceeds and developer contributions of rights of ways, easements and utility lines. A summary of capital additions by Governmental and Business type activities follows:

<u>Governmental activities</u>	
General Fund	\$ 536,921
General Capital Improvement Fund	10,042,354
Westminster Economic Development Authority	7,397,214
Parks, Open Space and Trails Fund	1,088,400
Conservation Trust Fund	214,302
Community Development Block Grant Fund	252,338
General Capital Outlay Replacement Fund	886,654
Developer Contributions	5,926,767
Total governmental activities	<u>26,344,950</u>
<u>Business-type activities</u>	
Utility Fund	18,589,742
Golf Course Funds	1,253,917
Developer Contributions	495,283
Total business-type activities	<u>19,843,659</u>
Total 2014 fixed asset additions	<u>\$ 46,188,609</u>

Significant asset additions include the following:

Governmental Activities

- \$1.8 million for major equipment acquisitions including fitness machines, radio system apparatus, and fleet vehicles
- \$5.2 million for South Westminster transportation oriented development (TOD) projects
- \$1.9 million for WURP area improvements
- \$8.0 million for Orchard Parkway construction
- \$1.8 million for open space and trail development and improvements

Business-type activities

- \$2.7 million for water supply acquisitions
- \$4.6 million for zone 4 pump station system improvements
- \$4.6 million for Little Dry Creek regional detention area development
- \$4.8 million for 87th and Wadsworth lift station replacement
- \$1.0 million for Northwest Water Treatment Plant tank repair and replacement
- \$0.7 million for Big Dry Creek Waste Water Treatment Facility major repairs
- \$0.7 million for South Westminster TOD sewer utilities

Auditor's Communication to City Council and Management

BKD's letter to Council and Management discusses items of significance to the audit, such as financial estimates, management assertions, financial statement disclosures, communications, adjustments, and when applicable, audit findings and suggestions for improvement.

Staff is pleased to inform Council that the City has received an unmodified opinion from BKD, LLP.

BKD proposed three audit adjustments which staff chose not to make based on the immateriality of each and their insignificance to the fair presentation of the financial statements. The passed adjustments are summarized below.

- Staff recorded the Jefferson County property tax receivable based on the County assessor's 2014 Final Certification of Values letter; however, the gross valuation on the certification was used instead of the valuation net of the tax financing district increment, which resulted in property taxes receivable and deferred inflow of resources in the General Fund to be overstated by \$99,066.
- An erroneous accounts payable check issued at the end of 2014 was immediately voided, but the void was posted to 2015, instead. This mismatch in reporting years resulted in expenditures and liabilities in the WEDA fund being overstated by \$20,996 in 2014. The net effect on fund balance will resolve with the void of the expenditure and liability in 2015.
- An unrecorded liability was identified through BKD's Accounts Payable testing, and because the exception was detected via statistical audit sampling, an error rate was applied to the sample population to estimate the potential for other unrecorded liabilities. The detected exception and probability of unknown exceptions resulted in expenditures and liabilities in the Medical Dental Self Insurance Fund being understated by \$34,410, and \$36,350, respectively. The net effect on fund balance will resolve with the posting of expenditures and liabilities in 2015.

The fact that these audit adjustments were not made has no material impact on the overall audit results. Accounting evaluated and has a good understanding of what caused each exception. In 2015, Staff will focus on ways to strengthen process controls and yearend procedures to avoid these types of exceptions in the future.

Final Comments

Many thanks go to accounting manager Cherie Sanchez; accountants Vicki Adams, Karen Barlow, Karen Creager, Gary Newcomb, and Sherri Young, accounting specialist Leslie Krough; retirement administrator Kim McDaniel; financial analyst Rachel Price; senior financial analyst Fred Kellam, treasury manager Bob Byerhof; sales tax manager Barb Dolan; and administrative secretary Maggie Hunter for making this audit such a success. Staff would also like to thank and acknowledge BKD for their professionalism, communication and helpfulness in completing the 2014 audit.

Staff and Audit Director Marcie Ardan from BKD will attend the June 15, 2015 Study Session to answer City Council's questions. This review of the City's CAFR and the 2014 financial audit scope and results supports the City's strategic goal of Excellence in City Services.

Respectfully submitted,

Donald M. Tripp
City Manager

Attachments

CAFR Draft

Auditor's Letter to Council and Management (attachments to Auditor's Letter to Council and Management are on file in the City's Finance Department)



WESTMINSTER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

Prepared by:

**Finance Department
Tammy A. Hitchens, CPA
Finance Director**

www.cityofwestminster.us

Centrally located between Denver and Boulder, Colorado, on the US Highway 36 high-tech corridor, is the City of Westminster, a beautiful, growing suburban community designed for exceptional quality of life. Over 111,000 residents enjoy superb, award-winning recreation amenities, beautiful neighborhoods and numerous entertainment and shopping opportunities. The City has preserved 3,087 acres as open space, or 14.3% of its land area. Many areas in the City boast a majestic view of the Colorado Rocky Mountains. The community is nationally recognized, with a reputation for innovation and progressive management in local government.

On the Cover:

In 1988, Westminster topped off its 14-story bell tower at City Hall with a pyramid shaped steel mesh structure. Westminster moved into the then new City Hall building at 4800 W. 92nd Avenue, and in the years since, the 130-foot spire has been an inspiration for the City's logo, its slogans, and to hundreds of people who have aspired to climb the 181 stairs to its top for a fabulous view of the entire metro area and the Rocky Mountain front range.

Westminster's City Hall carillon bell tower has 24 bells (23 bells constitutes a "carillon"), and is the second largest bell system in Colorado— second only to the 30-bell carillon at the University of Denver.

Flowering crabapples are popular ornamental trees in Colorado landscapes, and surround the City Hall plaza and bell tower. The Front Range is known for its flowering crabapples, which announce the arrival of spring. Blooming from April – May, the trees are covered in clouds of pink, red and white blossoms, and provide an ethereal perfume, followed by colorful fruit in autumn.

CITY OF WESTMINSTER, COLORADO

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WESTMINSTER
COLORADO

May 27, 2015

To the Citizens of Westminster:
To the Mayor and City Council:

We are pleased to present to you the 2014 Comprehensive Annual Financial Report for the City of Westminster. The report demonstrates the City's operations and financial position.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The enclosed data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Please refer to Management's Discussion and Analysis for a more in-depth discussion and analytical overview of the City's basic financial statements and activities.

The Past Year

The City of Westminster delivers exceptional value and quality of life through SPIRIT. SPIRIT – Service, Pride, Integrity, Responsibility, Innovation and Teamwork. We'd like to highlight two significant items that occurred in 2014. From a community standpoint, in 2014, City Council created an Inclusivity Task Force to examine diversity and inclusivity issues in our community and make recommendations regarding the vision, mission and role of a possible Inclusivity Board or Commission. The Task Force is currently examining diversity and inclusivity initiatives in other communities, and investigating needs in our own community. The Task Force is expected to make recommendations on potential board mission and structure to City Council in Fall 2015.

From an organization perspective, in October, the City of Westminster became the host agency for the North Metro Task Force (NMTF). The City of Westminster, along with Adams County, City and County of Broomfield, and the municipalities of Brighton, Commerce City, Federal Heights, Northglenn and Thornton, participate in the NMTF. The NMTF is a multijurisdictional drug task force that was established in 1991 through an intergovernmental mutual aid agreement to provide a public service and promote safety, security and general welfare of the citizens of the participating counties and municipalities. The problem of drugs and drug related crime continues to be a source of great concern for the communities served by NMTF and the State of Colorado as a whole. Funding for the NMTF is provided by participating agency contributions, Federal Asset Forfeiture funds and grants such as the Edward Byrne Memorial Justice Assistance Grant Program, High Intensity Drug Trafficking Areas (HIDTA), and Organized Crime Drug Enforcement Task Force (OCDETF). As the host agency, the City provides the leadership of the task force and task force operations, as well as administrative support such as accounting, legal and purchasing services.

Among other projects, the Planning Division in the Community Development Department created a *Downtown Specific Plan*, creating an entirely new way of regulating zoning and land use in the City, specifically targeting infill and redevelopment areas identified in the comprehensive plan as "focus areas." This process was first utilized for the area previously known as the "Westminster Mall" site and is now called Downtown Westminster. This effort involved significant public outreach. The City has also received a Platinum designation as a "Solar Friendly Community" by an innovative partnership between local governments and the solar industry. Westminster is the first community in Colorado to achieve the Platinum designation from the Colorado Solar Energy Industries Association (COSEIA) as part of its Solar Friendly Communities Program.

For the Parks, Recreation and Libraries Department, Library staff introduced a program entitled *1,000 Books before Kindergarten*. Westminster Public Library was the first library in Colorado to do so. In the first year, 573

children registered, reading over 61,700 books. To reinforce that early childhood literacy is fun, those who reached the goal were invited to attend a celebration of their accomplishment. By the October 2014 celebration, 45 children reached the 500 book mark.

The Information Technology Department (IT) created a *Mobile Technology Strategic Plan* to establish a strategic, organization-wide foundation and guide in moving the City forward with mobile technology in a sustainable and cost effective way. In addition to creating the plan, IT has worked with staff from Community Development and Public Works & Utilities to deploy mobile technology to enhance operation efficiencies in the field. IT was instrumental in upgrading and replacing aged equipment and software being utilized by public safety personnel. The City and Westminster IT Department received national and state awards recognizing the City's strategic and innovative approach to technology to improve internal operations, enhance customer services, and improve efficiencies.

The City Attorney's Office (CAO) acquired all property required under the intergovernmental agreement with the Regional Transportation District (RTD) for the Commuter Rail Station Project on a timely basis. The Westminster Commuter Rail Station and Parking Garage Projects remain on schedule to open in 2016. CAO also experienced a major change in 2014. The City is pleased to welcome David Frankel as the new City Attorney. David was selected to replace Marty McCullough, who retired as City Attorney after nearly 30 years of service to the City.

The City Manager's Office finalized an agreement with the Denver Regional Council of Governments and RTD, securing \$700,000 in Transportation Improvement Program funding for the elevator at Westminster Station, which is an important station amenity provided without additional City resources. They also finalized an agreement with RTD and Denver Transit Partners securing betterments for the Westminster Station platform, pedestrian tunnel and south plaza. These were important enhancements to the station design and surrounding area that will ensure the City's vision for this marquee entrance into Westminster can become a reality. This station will serve as a catalyst for reinvestment in Westminster and unincorporated Adams County.

The Finance Department continued to work on the City's Leak Detection Program. A recent study of Westminster residential customers showed that 13% of all residential water use is wasted in water leaks. Staff implemented a leak notification system within the Utility Billing system to send customers a postcard notifying them of leaks and directing them to resources within the City and online. A total of 11,328 postcards were sent out to customers in 2014.

In the General Services Department, Municipal Court implemented a Defendant Calling Project. This project began in November 2014 in an attempt to reduce the number of defendants that fail to appear on their court dates. Every week, a clerk programs the system to make an automated phone call to defendants with court dates set for the following week. This includes calling all probation clients and includes all defendants with all types of hearings. Statistics indicate that in 2013, there were 14,670 hearings scheduled with 2,856 defendants failing to appear or approximately a 19% failure to appear rate. For 2014, there were 15,272 hearings scheduled with 3,072 defendants failing to appear or approximately a 20% failure to appear rate. Numerous defendants provided feedback to staff that they appreciated the reminder calls and are grateful to receive them. The weekly program takes limited staff time versus a clerk making individual calls, which equates to efficiency of staff work time.

The Fire Department continued with its Business Inspection Program utilizing a new inspection software system. 2,494 business inspections were assigned in 2014, with 2,489 completed. The exceptionally high rate of completed inspections has a direct impact on fire safety for the citizens and business community. The business inspection program offers fire personnel the opportunity to gain knowledge of businesses in the city.

The Police Department completed the first full year of a partnership with Adams County Housing Authority. This partnership resulted in reduced calls for service, communities taking a more proactive role in reducing criminal behavior and holding residents accountable for their inappropriate actions at communities owned by the Housing Authority. This partnership also increased the quality of life for residents and dramatically improved relationships between these communities and the Department.

The Public Works and Utilities Department completed the 87th Avenue & Wadsworth Wastewater Lift Station. A replacement lift station was constructed due to its age and condition. It was also relocated away from a high traffic volume roadway, improves the system performance and mitigates the risk of sewage overflows to City customers.

Looking Forward

The City is looking forward to new opportunities and meeting the challenges of 2015.

2015 started out with additional change. City Manager Brent McFall retired after almost 14 years of service to the City. City Council then selected Donald M. Tripp as the City's eighth City Manager. Don was selected as the City Manager after a nationwide recruitment. Previous to his selection as City Manager, Don was the City's Parks, Recreation and Libraries Director.

In April 2015, the City hosted a Community meeting in which approximately 90 citizens participated in answering two questions related to eight strategic goals and the question "What makes a vibrant urban center?" The two questions were "What does the stated goal look like in Westminster?" and "Are there any specific initiatives you would like the City to consider related to that goal?" The Council utilized that feedback at their annual strategic planning retreat in April and created a new vision statement for the City and revised their strategic plan.

The new strategic plan has six goals, down two from the previous eight: The goals are as follows:

- Visionary Leadership, Effective Governance and Proactive Regional Collaboration
- Vibrant, Inclusive and Engaged Community
- Beautiful, Desirable, Safe and Environmentally Responsible City
- Dynamic, Diverse Economy
- Financially Sustainable Government Providing Excellence in City Services
- Ease of Mobility

The City's objectives are aligned with these goals.

Work will continue to be done in both the Downtown area and the south area of the City where a commuter rail station will be the catalyst for transit oriented development (TOD). The City continues to work towards building a new downtown, thus creating the metro area's next urban center. It is anticipated that significant infrastructure will be installed in 2015 as well as the beginning design and construction of the new development.

One of Council's stated objectives is to "Develop programs and strategies that build a unique sense of community in Westminster." To that end, the City will be looking at increasing multi-lingual communication mediums as well as ensuring social equity in the amenities that are provided.

Council has also stated an objective to "Advance strategies that demonstrate Westminster is a regional leader in providing affordable, workforce housing." Affordable, workforce housing will be pursued in both the Downtown and TOD projects, as well as other areas of the City.

City staff will be working on these high priority items and other projects and initiatives as identified in City Council's strategic plan.

Independent Audit

Pursuant to Section 9.10 of the City Charter, an audit of the accounts and financial statements has been completed by the City's independent Certified Public Accountants, BKD, LLP. Their report is included.

Government Structure and Types of Services

The City of Westminster is a charter city, organized under the Constitution of the State of Colorado, governed by a Council-Manager form of government. City Council is comprised of seven members: a Mayor elected at

large and six Councillors, also elected at large. The Council appoints the City Manager, the City Attorney and the Municipal Court Judge; all other staff are appointed or hired by the City Manager.

With a population of approximately 111,000, the City is approximately 95% built out, with just over 5% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical service, court system, parks, recreation facilities and programs, libraries, planning and development, water and wastewater treatment, street construction and maintenance and a variety of related services such as human resources, finance, information technology, building maintenance, etc.

The City of Westminster includes several blended component units, wherein the City includes the financial statements of these units in its financial reporting. These units include:

- Westminster Housing Authority (WHA), which is utilized in housing initiatives,
- The Westminster Economic Development Authority (WEDA), the City's Urban Renewal Authority, which enables the City to employ eminent domain and tax increment financing for needed re-development in the City's blighted sections, and
- Seven General Improvement Districts that were created for infrastructure improvements and maintenance.
 - Amherst General Improvement District
 - Sheridan Crossing General Improvement District
 - 136th Avenue General Improvement District
 - Mandalay Town Center General Improvement District
 - Parking Garage General Improvement District
 - 144th Avenue General Improvement District
 - Orchard Park Place General Improvement District

The governing board is the same as the governing body of the City in all cases and the City has the ability to modify or approve the budgets of these entities.

Internal Controls and Limitations

The City's framework of internal controls provides management with the reasonable assurance it needs to take meaningful responsibility for the contents of the financial statements. The City's basic system of internal controls includes the control environment, the accounting system and control procedures.

- The control environment includes a philosophy and organizational structure that allows for the fiduciary practice of oversight, control systems development and management control of the financial functions of the City.
- The accounting system includes built-in checks and balances for purchasing, contracting and contract approval, timely recording of all transactions, audit trails for all transactions, and routine reporting and reconciliation procedures across funds and accounts.
- The control procedures established by the City include the following:
 - Budgetary oversight by the City Manager's Office separate from the accounting and recording of transactions by the Finance Department;
 - The legal level of budgetary control is at the department level;
 - Segregation of authorization, collection and recording/reconciliation functions across all departments and financially-related functions of the City of Westminster;
 - Access controls to all systems, whether purchasing, general ledger, payroll, information technology, or others; and
 - Independent checks on the system and transactions by staff performing the internal audit function.

As with any system, the inherent limitations of the system make it imperative that the City rely on review and revision of programs when weaknesses are discovered; reporting by the City's audit firm relative to SAS 114, *The Auditor's Communication with Those Charged with Governance* and SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*, and constant diligence on the part of management and employees for preventing and correcting errors or other weaknesses when reviewed.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westminster, Colorado, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the content of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last thirty-one consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

Oversight for the preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of Finance Department Staff.

In particular, our sincere appreciation is due to Cherie Sanchez, Accounting Manager; Vicki Adams, Accountant; Karen Barlow, Accountant; Karen Creager, Accountant; Gary Newcomb, Accountant; Sherri Young, Accountant; Leslie Krough, Accounting Specialist; Kim McDaniel, Retirement Administrator; Rachel Price, Financial Analyst; Fred Kellam, Senior Financial Analyst; Barb Dolan, Sales Tax Manager; Bob Byerhof, Treasury Manager; and Maggie Hunter, Administrative Secretary. Thank you for your dedication, hard work and another excellent annual report.

In addition, the City's auditors, BKD, LLP were very helpful. Their assistance and professional approach contributed to a thorough and smooth audit.

Finally, thank you to City Council and all Staff for your commitment to this community and the SPIRIT you exhibit.

Respectfully submitted,

Donald M. Tripp
City Manager

Tammy Hitchens
Director of Finance

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ORGANIZATIONAL CHART

Citizens



Herb Atchison
Mayor



Faith Winter
Mayor Pro Tem



Bruce Baker
Councillor



Bob Briggs
Councillor



Alberto Garcia
Councillor



Emma Pinter
Councillor



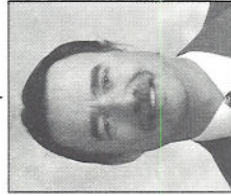
Anita Seitz
Councillor



Marty McCullough
City Attorney



J. Brent McFall
City Manager



Steve Smithers
Deputy City Manager



John Stipech
Presiding Judge



Jody Andrews
Director of Public
Works & Utilities



Lee Birk
Police Chief



John Carpenter
Director of
Community
Development



Doug Hall
Fire Chief



Tammy Hitchens
Director of
Finance



Debbie Mitchell
Director of
General Services



David Punterney
Director of
Information
Technology



Don Tripp
Director of Parks,
Recreation &
Libraries



Government Finance Officers Association

**Certificate of
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Presented to

**City of Westminster
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Westminster, Colorado
Westminster, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Westminster, Colorado (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Mayor and Members of City Council
City of Westminster, Colorado

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary, postemployment benefits other than pensions and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information, including the schedule of expenditures of federal awards required by OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and Members of City Council
City of Westminster, Colorado

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
May 27, 2015

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WESTMINSTER
COLORADO

City of Westminster, Colorado

Management's Discussion and Analysis (Unaudited)

This discussion and analysis of Westminster's financial statements for the year ended December 31, 2014 provides a narrative overview of the City's financial activities. Please consider the information here in conjunction with the transmittal letter at the beginning of this Comprehensive Annual Financial Report and the financial statements and notes to the financial statements, which begin on page 19.

THE CITY

The City of Westminster is a charter city, organized under the laws of the State of Colorado, governed by a Council-Manager form of government. City Council is comprised of seven members: a Mayor elected at large and six Councillors, also elected at large. The Council appoints the City Manager, the City Attorney, and the Municipal Court Judge; all other staff are appointed or hired by the City Manager. The City Manager has served Westminster since 2001 to promote service, pride, integrity, responsibility, innovation and teamwork throughout the organization. The City Manager directs eight departments, including Community Development, Finance, Fire, General Services, Information Technology, Parks, Recreation and Libraries, Police, and Public Works and Utilities.

Centrally located between Denver and Boulder Colorado, the City of Westminster is known for its exceptional quality of life, and for its innovative and progressive local government services. With a population of approximately 111,000, the City is approximately 95% built out, with just about 5% of its remaining area to be developed. The City is a full service City, providing police, fire and emergency medical services, 58 developed parks and 4 undeveloped parks, 3,092 acres of natural open space, two libraries, two golf courses, several recreation centers, water and wastewater treatment, street construction and maintenance, and a variety of other services.

The primary sources of revenues for cities in Colorado are sales and use taxes, comprising approximately 57.4% of the City's governmental activities revenues. Property taxes comprise approximately 2.9% of the City's governmental activities revenues. Property tax increment contributes an additional 6.1%. The primary sources of revenues for the City's enterprise funds including the Utility Enterprise and Golf Course Enterprise are fees and charges.

FINANCIAL HIGHLIGHTS

General Fund sales and use tax revenue was up \$4.3 million, or 5.6% compared to 2013. The increase is attributed to the continued financial recovery since the recessions of 2001 and 2008, and increase in public confidence that has bolstered consumer spending and the economy.

In April 2014, the City entered into a lease/purchase agreement to fund the purchase of essential golf course maintenance equipment for both Legacy Ridge Golf Course and the Heritage at Westmoor Golf Course. \$1.1 million in lease proceeds was used to replace an aging maintenance equipment fleet and purchase additional equipment needed to maintain the course standards demanded in a competitive golf market.

In 2014, \$0.4 million of US Department of Housing and Urban Development Section 108 Loan Guarantee Funds was utilized to acquire two additional properties, for a total of five, that will be conveyed to a developer, contingent upon development plan approval, in exchange for the developer assuming the outstanding \$1.5 million loan balance.

The City received \$1.1 million in federal award reimbursements from the US Department of Housing and Urban Development for the Community Development Block Grant program, Department of Transportation for traffic signal installations and air quality congestion mitigation, and Departments of Justice and Homeland Security for public safety related efforts.

\$0.3 million in grant reimbursements was received from the State for public safety, historical preservation, and acquisition of educational resources for the libraries.

\$1.4 million in reimbursements was received from Adams County for various open space acquisitions and the I25 Trail Connection Project. \$0.1 million in reimbursements from Adams and Jefferson Counties was received for victim assistance and law enforcement efforts.

The City received capital contributions of land and land rights totaling \$5.9 million from developers for various residential and commercial projects, most notably rights of way for the development of Legacy Ridge and Westminster Center subdivisions.

The City's Utility Fund received capital contributions from developers totaling \$7.1 million in the form of contributed water and sewer lines as well as fees for tapping into the City's water utility system. This is a \$2.3 million, or 24.2% decrease from 2013.

The assets and deferred outflows of resources of the City exceed its liabilities and deferred inflows of resources at the close of 2014 by \$796.9 million (\$349.2 million in governmental activities and \$447.7 million in business-type activities). Of the governmental activities net position total, \$118.3 million, or 33.9%, is unrestricted and may be used to meet the City's ongoing obligations to the public and creditors. Similarly, \$89.0 million, or 19.9%, of business-type activities net position are unrestricted.

Total net position of the City increased \$38.4 million, or 5.1%, compared to 2013. The net position of the City's governmental activities increased \$25.9 million, which represents an increase of 8.0% from 2013. The net position of the City's business-type activities increased \$12.5 million, or 2.9%, over 2013.

The total expenses of all the City's programs increased \$1.4 million, or 0.8%, compared to 2013. The cost of governmental activities program expenses increased \$0.2 million, or 0.2%, to \$125.6 million, while business-type activities expenses increased \$1.2 million, or 2.5%, to \$48.4 million from 2013.

Total revenues, excluding transfers, increased \$8.3 million, or 4.1%, compared to 2013. Governmental activities revenues increased \$6.4 million, or 4.4%, to \$152 million, while revenues of business-type activities increased \$1.9 million, or 3.2%, to \$60.4 million compared to 2013.

As of December 31, 2014, the City's governmental funds reported a combined ending fund balance of \$127.8 million. Approximately 52.8%, or \$67.5 million, is committed, assigned or unassigned fund balance and, therefore, available for spending at the City's discretion within the purposes specified for the City's funds.

The General Fund reported a fund balance of \$37.3 million as of December 31, 2014 of which \$31.2 million was assigned or unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities.

The **Statement of Net Position** presents information on all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, such as changes in the composition or quality of the City's sales tax base, the condition of the City's roads, etc., are also important to evaluate when assessing the overall health of the City.

The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows.

In the Statement of Net Position and Statement of Activities, the City is divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here – police, fire, public works, parks, recreation and libraries and general administration. Sales and use taxes, property taxes, fees and charges from the municipal court and the Parks, Recreation and Libraries Department, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer system, golf courses, and Westminster Housing Authority activities are reported here.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the City-wide financial statements. However, unlike the City-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on the constraints on the use of fund balances at the end of the fiscal year. Information about limitations on financial resources is useful in evaluating the City's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the City-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the City-wide statements. Readers may then better understand the long-term impact of the City's short-term financing decisions. Both the governmental

funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

The City maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the General Capital Improvement Fund and the Westminster Economic Development Authority (WEDA), the City's urban renewal authority. These funds are reported as major funds for the City. Financial information for the other 12 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and individual fund statements in the supplementary information of this report.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Utility Enterprise, Golf Course Enterprise, and Westminster Housing Authority. The Utility Fund is considered a major fund of the City; the Golf Course Fund and the Westminster Housing Authority are nonmajor funds.
- **Internal Service funds** are used by the City to account for the costs of acquiring capital replacement equipment and costs for City-wide insurance programs. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the supplementary information of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the City-wide and fund financial statements. The notes to the financial statements can be found in the supplementary information of this report.

Required Supplementary Information includes budgetary comparison schedules for the General Fund and Westminster Economic Development Authority, and schedules of funding progress for the City's volunteer firefighter pension plan and post-employment benefits other than pension (OPEB).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

Table 1 presents an analysis of the City's net position as of December 31. The City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$796.9 million at December 31, 2014. Governmental activities make up \$349.2 million (43.8%) of the net position, with business-type activities making up the remaining \$447.7 million (56.2%). Total net position increased by \$38.4 million (5.1%) in 2014. The increase is comprised of the following:

Total assets increased \$22.6 million, or 2.1%, to \$1,074.6 million. This included an increase in current and other assets of \$8.2 million and an increase in capital assets of \$14.4 million. The increase in current and other assets was primarily due to an increase of \$6.1 million of cash, cash equivalents, and investments and an increase of \$2.2 million in accounts receivable as a result of favorable operations.

\$31.7 million of depreciation was recognized while \$46.7 million in capital assets was added. \$28.4 million previously classified as Construction in Progress was placed in service and reclassified to depreciable asset classes, and \$0.6 million in capital assets net of depreciation was disposed of.

Total liabilities decreased \$17.8 million, or 6.2%, to \$270.0 million. This primarily related to reduction in bonds, loans, notes, and leases outstanding in the Governmental Activities of \$17.6 million, and \$5.3 million in the Business-type Activities.

Table 1: Net Position as of December 31 (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 181.0	\$ 174.3	\$ 99.6	\$ 98.1	\$ 280.6	\$ 272.4
Capital assets	385.9	378.9	408.1	400.7	794.0	779.6
Total assets	566.9	553.2	507.7	498.8	1,074.6	1,052.0
Deferred outflow of resources	6.1	7.9	-	-	6.1	7.9
Current and other liabilities	17.0	13.7	5.4	5.1	22.4	18.8
Long-term liabilities	193.0	210.5	54.6	58.5	247.6	269.0
Total liabilities	210.0	224.2	60.0	63.6	270.0	287.8
Deferred inflow of resources	13.8	13.6	-	-	13.8	13.6
Net Position:						
Net investment in capital assets	203.1	181.5	353.5	343.1	556.6	524.6
Restricted	27.8	34.5	5.2	5.1	33.0	39.6
Unrestricted	118.3	107.3	89.0	87.0	207.3	194.3
Total net position	\$ 349.2	\$ 323.3	\$ 447.7	\$ 435.2	\$ 796.9	\$ 758.5

By far the largest portion of the City's net position reflects its investment of \$794.0 million in capital assets (for example, land, buildings, machinery and equipment, utility plants and parks). Net investment in capital assets is reported less any related debt used to acquire these assets that is still outstanding. The City uses these capital assets to provide services to the public; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets was \$556.6 million as of December 31, 2014, or 69.9% of total net position.

An additional portion of the City's net position, \$33.0 million, or 4.1% represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, \$207.3 million, or 26.0% may be used to meet the City's on-going obligations to the public and creditors. It is important to note that the \$89.0 million in unrestricted net position of the City's business-type activities may not be used to fund governmental activities.

Analysis of Changes in Net Position

As can be seen from Table 2, the City's net position increased \$38.4 million during 2014. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by \$25.9 million during 2014. This was \$6.5 million more than the increase of \$19.4 million in 2013.

Governmental activities revenues increased \$6.4 million from 2013. The change is attributed to increases in the amount of revenues from Charges for Services (0.2 million), Operating Grants and Contributions (\$1.5 million), Property Tax (\$0.1 million), Sales Tax (\$3.9 million), Use Tax (\$0.7 million), Property Tax Increment (\$0.6 million), Business Fees and Other Taxes (\$0.1 million), Accommodations Tax (\$0.6 million), Interest (\$0.9 million), and Gain on sale of Assets (\$0.1 million), offset by a decreases in Capital grants and Contributions (\$1.0 million), Intergovernmental (\$0.5 million), and Other (\$0.8 million).

Governmental expenses increased \$0.2 million (0.2%) from 2013. Most of the change is attributable to increased expenses in Public Works (\$0.5 million) and Culture and Recreation (\$2.8 million), offset by decreases in expenses in General Government, Public Safety, Community Development as well as interest, fiscal charges and long-term debt refinancing fees.

As can be seen in Table 2, Public Safety expenses accounted for 27.0% of Governmental expenses. General Government, which includes all benefits, insurances and lease payments as well as the City Council and four departments' (City Manager's Office, City Attorney's Office, General Services and Finance) accounted for 29.6%, Culture and Recreation accounted for 18.6%, Public Works accounted for 11.9%, and Community Development accounted for 7.4% of total Governmental expenses.

Table 2: Changes in Net Position (in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 17.9	\$ 17.7	\$ 51.3	\$ 48.2	\$ 69.2	\$ 65.9
Operating grants and contributions	7.8	6.3	-	-	7.8	6.3
Capital grants and contributions	14.1	15.1	7.1	9.3	21.2	24.4
General revenues						
Property taxes	4.4	4.3	-	-	4.4	4.3
Sales taxes	72.4	68.5	-	-	72.4	68.5
Uses taxes	14.8	14.1	-	-	14.8	14.1
Property tax increment	9.2	8.6	-	-	9.2	8.6
Sales tax increment	0.2	0.2	-	-	0.2	0.2
Business fees and other taxes	5.7	5.6	-	-	5.7	5.6
Accommodations tax	3.5	2.9	-	-	3.5	2.9
Intergovernmental	0.2	0.7	-	-	0.2	0.7
Interest	1.0	0.1	0.9	-	1.9	0.1
Rentals	0.4	0.4	-	-	0.4	0.4
Other	0.3	1.1	0.9	0.9	1.2	2.0
Gain on sale of assets	0.1	-	0.2	0.1	0.3	0.1
Total revenues	152.0	145.6	60.4	58.5	212.4	204.1
Program expenses						
General government	37.2	38.1	-	-	37.2	38.1
Public safety	33.9	34.7	-	-	33.9	34.7
Public works	15.0	14.5	-	-	15.0	14.5
Community development	9.3	10.1	-	-	9.3	10.1
Culture and recreation	23.3	20.5	-	-	23.3	20.5
Utility	-	-	44.8	43.3	44.8	43.3
Golf	-	-	3.5	3.8	3.5	3.8
Housing Authority	-	-	0.1	0.1	0.1	0.1
Interest and fiscal charges	6.6	7.0	-	-	6.6	7.0
Refunding fee	-	0.2	-	-	-	0.2
Unallocated depreciation	0.3	0.3	-	-	0.3	0.3
Total expenses	125.6	125.4	48.4	47.2	174.0	172.6
Excess before transfers	26.4	20.2	12.0	11.3	38.4	31.5
Transfers	(0.5)	(0.8)	0.5	0.8	-	-
Change in net position	25.9	19.4	12.5	12.1	38.4	31.5
Net position before restatement	323.3	305.3	435.2	423.6	758.5	728.9
Adjustment for accounting change	-	(1.4)	-	(0.5)	-	(1.9)
Net position - beginning	323.3	303.9	435.2	423.1	758.5	727.0
Net position - ending	\$349.2	\$323.3	\$447.7	\$435.2	\$ 796.9	\$ 758.5

Charts 1 and 2 illustrate the City's governmental expenses and revenues by function and its general revenues by source. General revenues such as sales and use taxes, property and other taxes shown in Chart 2 are used to support City program activities city-wide. For governmental activities overall,

without regard to program, sales and use taxes are the largest single source (57.4%), followed by charges for services (11.8%).

**CHART 1: EXPENSES AND PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES**

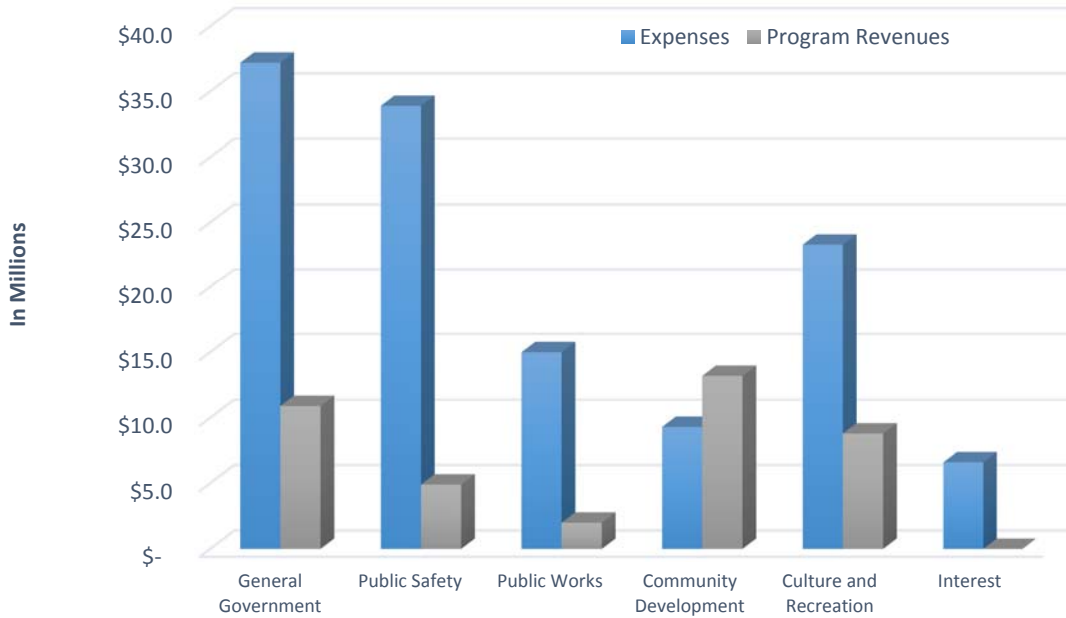
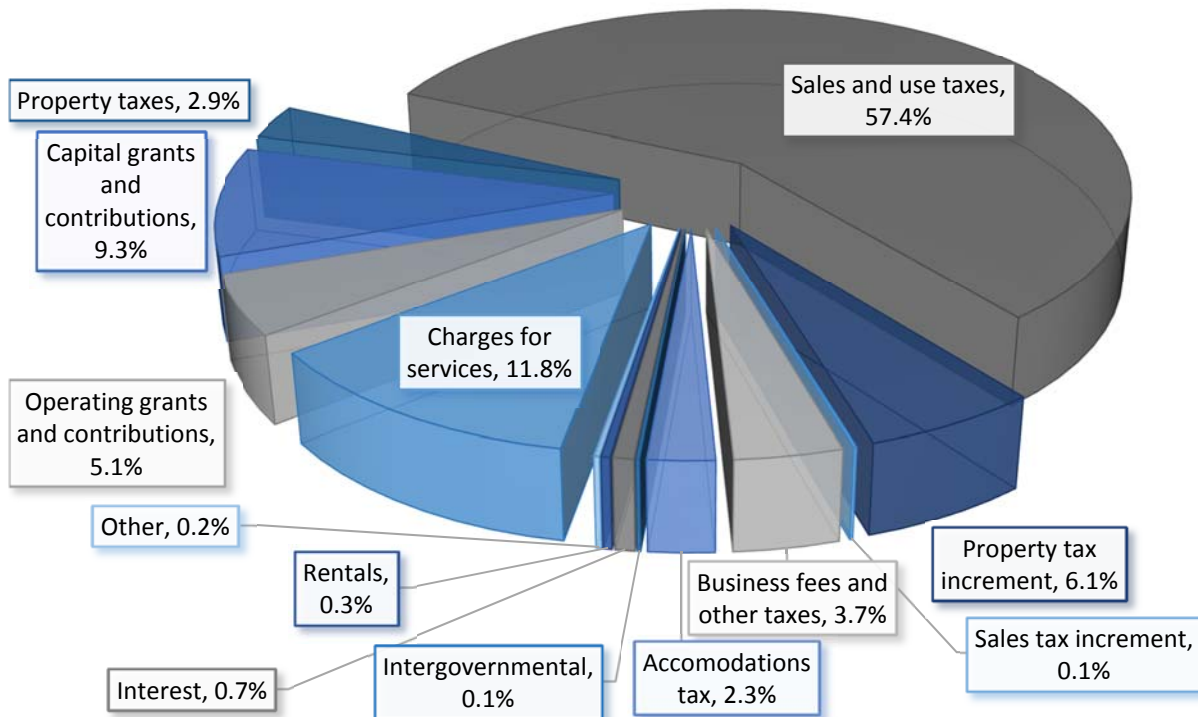


CHART 2: REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Business-type Activities

Net position in business-type activities increased \$12.5 million in 2014. This is \$0.4 million, or 3.3%, more than the \$12.1 million increase in 2013.

**CHART 3: EXPENSES AND PROGRAM REVENUES
BUSINESS TYPE ACTIVITIES**

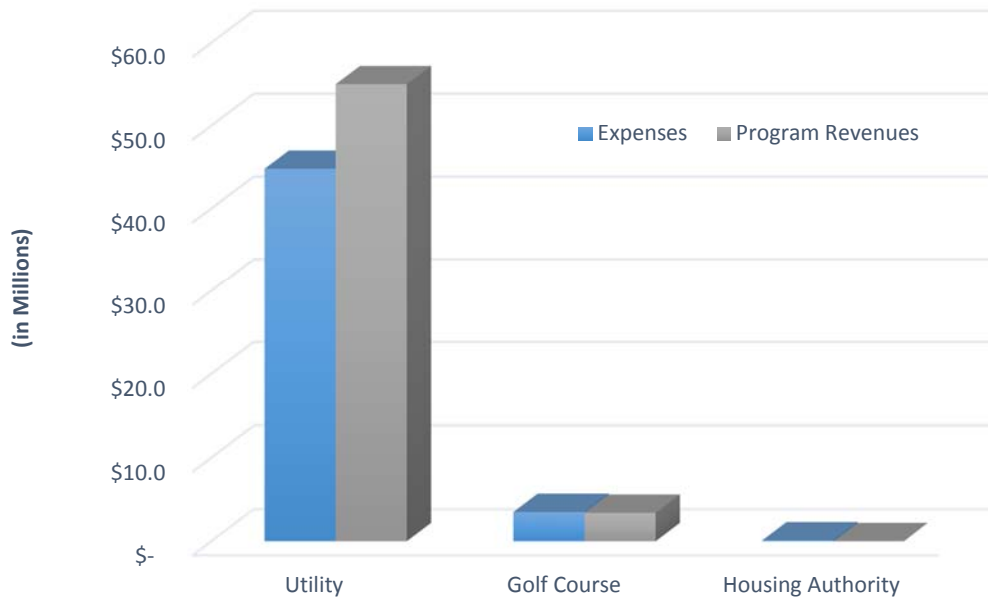
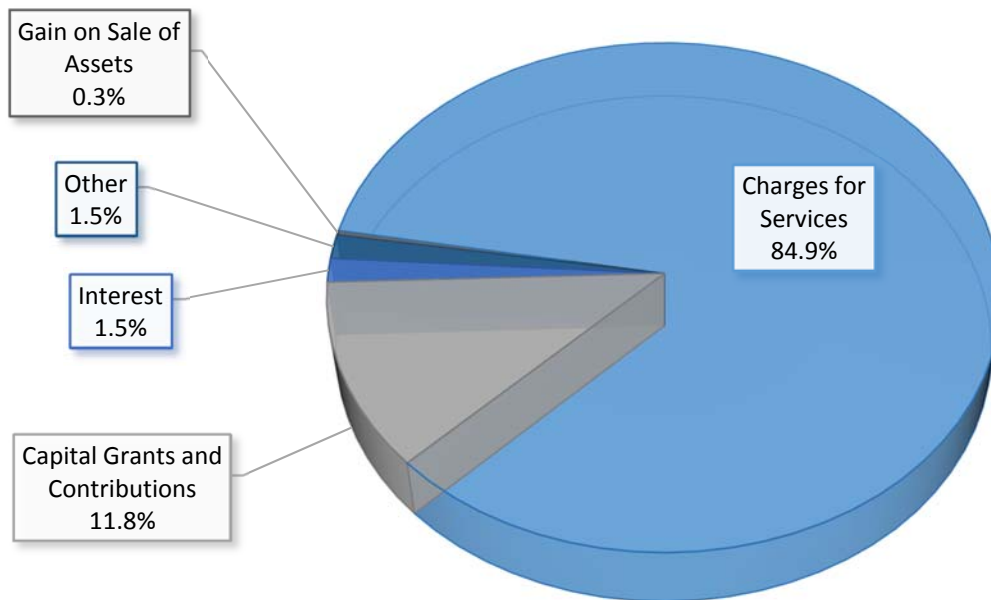


CHART 4: REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



Total business-type revenues increased \$1.9 million, or 3.2%, compared to 2013. This increase was due primarily to an increase of \$3.1 million, or 6.4% in Charges for Service, \$0.1 million, or 100.0% in Gain on Sale of Assets, and \$0.9 million, or 100.0% in interest earnings offset by a decrease of \$2.2 million, or 23.7%, in Capital Grants and Contributions.

Expenses of business-type activities increased \$1.2 million, or 2.5%, compared to 2013. The increase was due primarily to an increase in costs associated with providing utility services.

As can be seen from Charts 3 and 4, the City's Utility Enterprise accounts for the majority of its business-type activities, representing 92.6% of total business-type expenses. Charges for Services provides the largest share of revenues (84.9%), followed by Capital Grants and Contributions (11.8%).

THE CITY'S FUNDS (ANALYSIS OF SPECIFIC FUNDS)

As explained earlier, the City of Westminster uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds- The focus of the City's *governmental funds* is to provide information on short-term inflows, outflows, and constraints on financial resources. This information is necessary to assess the City's financing requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

At December 31, 2014, the City's governmental funds reported a combined ending fund balance of \$127.8 million, an increase of \$2.5 million, or 2.0%, compared to 2013. Based on the level of constraint imposed on the use of financial resources, fund balance is reported as either nonspendable; restricted; or as committed, assigned or unassigned.

- Nonspendable fund balance related to property held for resale, primarily reflecting property acquired for the WURP area, increased \$0.4 million to \$31.7 million as a result of property acquisitions related to a HUD Section 108 loan guarantee program project.
- Fund balance restricted for capital projects decreased \$7.0 million primarily due to the Orchard Parkway project in WEDA's North Huron URA.
- Fund balance restricted for debt service decreased \$0.5 million, or 3.1%, to \$15.1 million.
- Fund balance restricted for open space conservation and improvements increased \$0.6 million to \$1.9 million due in part to an increase in Parks Open Space and Trails sales and use tax revenue.
- Unrestricted but committed fund balance increased for capital additions and improvements to \$35.4 million from \$32.9 million, or 7.7%.
- Committed fund balance decreased for urban renewal \$0.3 million from \$1.3 million, or 19.7%, due to project spending.
- Unassigned fund balance increased \$6.3 million, or 34.5%, to \$24.6 million compared to 2013. Unassigned fund balance is available for spending at the City's discretion within the purposes specified for the City's funds.
- The remainder of unrestricted fund balance is assigned to indicate that it is has been set aside for a specific purpose.

The General Fund is the primary operating fund of the City. At the end of 2014, the unassigned fund balance of the General Fund was \$25.1 million, while total fund balance was \$37.3 million. Total fund balance increased in the General Fund by \$6.5 million, or 21.3%, compared to 2013. The unassigned fund balance represents 22.2% of General Fund expenditures and transfers out. The City's goal is to maintain a 10% fund balance.

The original budget in the General Fund was \$103.9 million. \$6.1 million of carryover from 2013 was utilized in the General Fund. Actual General Fund expenditures and transfers out totaled \$112.9 million.

Charts 5 and 6 illustrate the Budget and Actual Revenue and Expenditures less transfers for the General Fund.

CHART 5: GENERAL FUND BUDGET AND ACTUAL REVENUE BY SOURCE, LESS OTHER FINANCING SOURCES AND USES

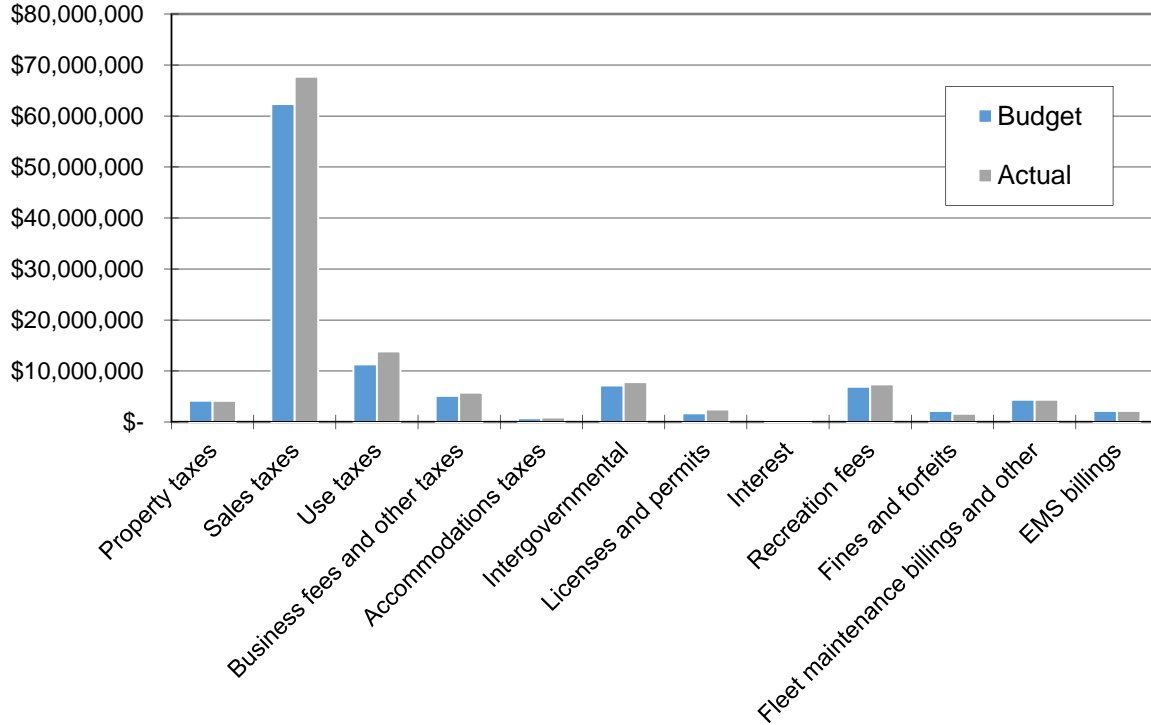
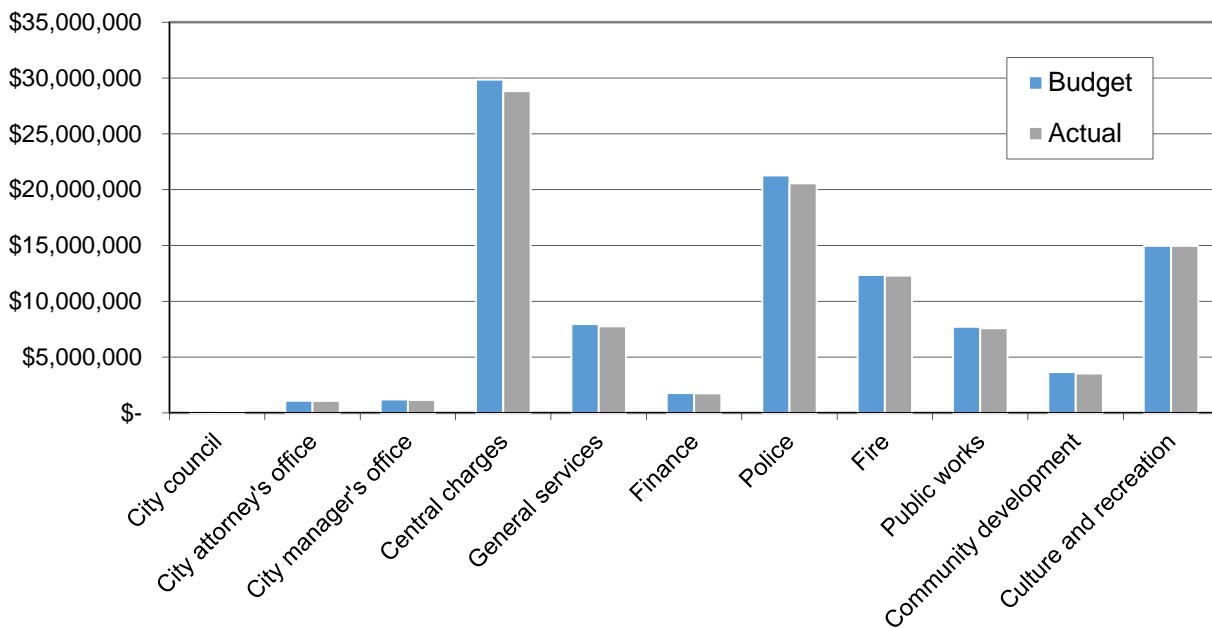


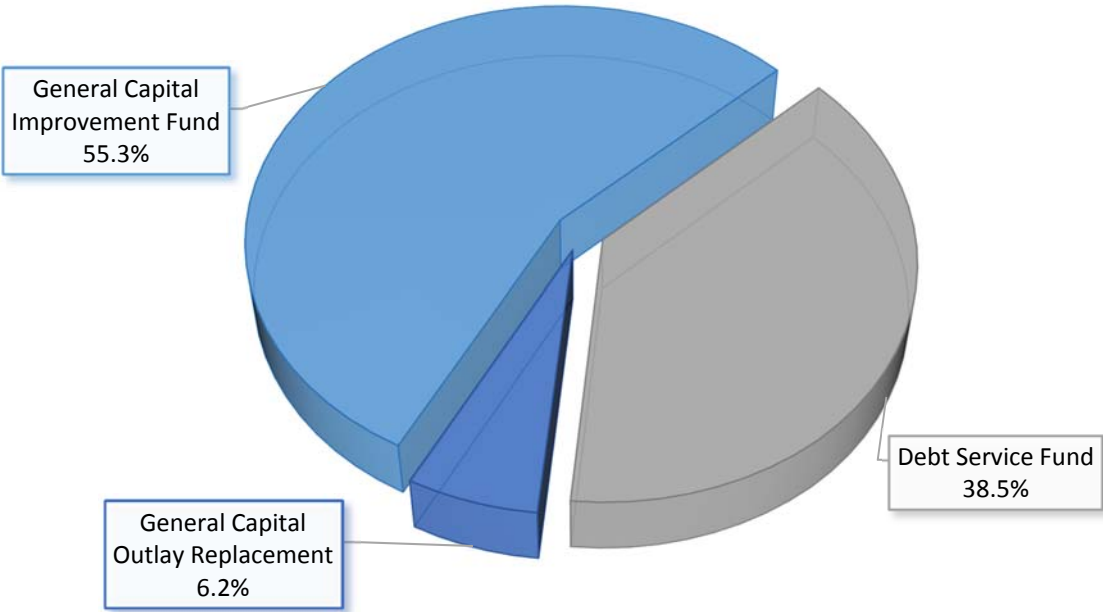
CHART 6: GENERAL FUND BUDGET AND ACTUAL EXPENDITURES BY DEPARTMENT, LESS DEBT SERVICE AND OTHER FINANCING SOURCES AND USES



Sales and use taxes are the primary funding source for the City’s governmental funds. Once the sales and use tax is collected it is transferred to other funds. As Chart 7 illustrates, 55.3% of the sales and use tax was transferred to the General Capital Improvement Fund, 38.5% was transferred to the Debt Service Fund, and 6.2% was transferred to the General Capital Outlay Replacement Fund. \$64.2 million was budgeted in the General Fund for operating purposes.

General Fund sales and use tax increased 5.6%, or \$4.3 million, compared to 2013.

CHART 7: GENERAL FUND TRANSFERS OF SALES AND USE TAX



The General Capital Improvement Fund is used to account for financial resources used for the acquisition and construction of major capital facilities and improvements of the City, except those financed by the Enterprise Funds. At December 31, 2014, the fund had a fund balance of \$38.2 million.

The General Capital Improvement Fund revenues include accommodations taxes, interest, revenues from other governments, and transfers from other funds. The fund’s revenues decreased by \$0.6 million due to decreases in Intergovernmental of \$0.1 million, Contributions of \$0.9 million, and Other of \$0.5 million, offset by increases in Accommodations Tax of \$0.6 million and Interest earnings of \$0.3 million.

Expenditures totaling \$16.2 million were \$0.5 million more than 2013 due to substantial capital project activity that included grading of the WURP project site; land acquisition and various improvements in South Westminster’s transportation oriented development area; participation with the WEDA on construction of the Orchard Parkway, and various park and trail development and improvement projects.

The Westminster Economic Development Authority is the City's urban renewal authority. The fund balance decreased \$7.8 million from 2013. As of December 31, 2014, Fund Balance was \$45.1 million.

Revenue for the Westminster Economic Development Authority increased by \$0.5 million, or 5.5%, compared to 2013. The increase was due primarily to an increase in property tax increment of \$0.5 million.

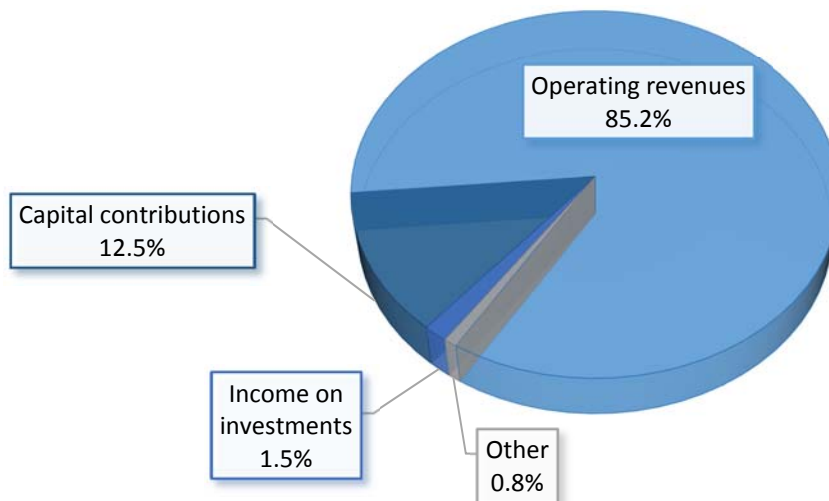
Expenditures increased by \$3.1 million, or 21.7% compared to 2013. The increase was due to a increase in capital project activity.

Proprietary Funds- As already discussed, the City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Utility Fund, which accounts for the City's water, wastewater and storm drainage activities, ended 2014 with net position equal to \$429.5 million. Of that amount, \$84.8 million is unrestricted. Net position increased \$11.3 million, or 2.7%, compared to 2013.

Operating revenues increased \$2.7 million, or 6.0%, compared to 2013. Chart 8 illustrates both operating and nonoperating revenues by source. The primary reason for the increase in operating revenues is due to increased demand.

CHART 8: UTILITY FUND REVENUES BY SOURCE



Utility Fund operating expenses increased \$1.7 million, or 4.2%, compared to 2013. As with operating revenue, the primary reason is due to increased demand.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As can be seen from Table 3, the City's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$794.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility plants,

improvements, parks, infrastructure, water rights, machinery and equipment, joint venture assets and construction work in progress. The total increase in the City's investment in capital assets was \$14.4 million, or 1.9%. Net capital assets of governmental activities increased \$7.0 million, or 1.9%, and business-type activities increased \$7.4 million, or 1.9%.

Table 3: Capital Assets at Year-end
(Net of Accumulated Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land and property rights	\$ 137.6	\$ 128.0	\$ 117.1	\$ 114.0	\$ 254.7	\$ 242.0
Buildings and plants	38.4	41.1	146.3	147.5	184.7	188.6
Improvements other than buildings	19.7	21.5	132.7	124.5	152.4	146.0
Parks	22.6	24.8	0.5	0.5	23.1	25.3
Ice Center	4.6	4.8	-	-	4.6	4.8
Infrastructure	144.7	144.0	-	-	144.7	144.0
Construction in progress	7.2	2.5	6.4	9.4	13.6	11.9
Machinery and equipment	11.1	12.2	5.1	4.8	16.2	17.0
Totals	\$ 385.9	\$ 378.9	\$ 408.1	\$ 400.7	\$ 794.0	\$ 779.6

Governmental Activities

- \$1.8 million for major equipment acquisitions including fitness machines, radio system apparatus, and fleet vehicles
- \$5.2 million for South Westminster transportation oriented development projects
- \$1.9 million for WURP area improvements
- \$8.0 million for Orchard Parkway construction
- \$1.8 million for open space and trail development and improvements

Business-type activities

- \$2.7 million for water supply acquisitions
- \$4.6 million for zone 4 pump station system improvements
- \$4.6 million for Little Dry Creek regional detention area development
- \$4.8 million for 87th and Wadsworth lift station replacement
- \$1.0 million for Northwest Water Treatment Plant tank repair and replacement
- \$0.7 million for Big Dry Creek Waste Water Treatment Facility major repairs
- \$0.7 million for South Westminster TOD sewer utilities

Additional information on the City's capital assets can be found in Note 2E on pages 45 and 46.

Debt Administration

At December 31, 2014 the City's bond ratings carry investment grade ratings as follows:

<u>Bond Issue</u>	<u>Standard & Poors</u>	<u>Fitch Ratings</u>	<u>Moody's</u>
Sales Tax Revenue	AA+	AA+	Not Requested
Sales Tax Revenue - POST	AA-	AA-	Not Requested
Utility Enterprise	AA+	AA+	Not Requested
COPs-Ice Centre	AA-	Not Requested	Not Requested
COPs-All Others	AA-	Not Requested	Not Requested

The State of Colorado limits the amount of general obligation debt that cities can issue to 3% of the actual value of all taxable property within the City's corporate limits (CRS 31-15-302). The City's outstanding general obligation debt is significantly below this \$297.5 million state-imposed limit. See page 113 for the City's legal debt margin information.

Table 4 illustrates the City's total indebtedness:

Table 4: Outstanding Debt, at Year-end (in Millions)

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenue Bonds (backed by specific tax and fee revenues)	\$ 39.9	\$ 45.3	\$ 29.5	\$ 31.6	\$ 69.4	\$ 76.9
Tax Increment Revenue Bonds and Loans	86.7	92.0	-	-	86.7	92.0
Notes and Loans	1.6	1.6	17.9	20.6	19.5	22.2
Leases	54.7	60.9	5.0	4.4	59.7	65.3
Total	\$182.9	\$199.8	\$52.4	\$56.6	\$235.3	\$256.4

Further information on the City's debt can be found in Note 2H on pages 48-50.

PLANS AND BUDGET FOR 2015

In April, 2014, the City Council met in its annual 2-day strategic planning retreat, and accomplished the following:

- Affirmation of the City's Strategic Goals for the next five years, 2015-2019.
 1. Visionary Leadership and Effective Governance
 2. Vibrant and Inclusive Neighborhoods
 3. Comprehensive Community Engagement
 4. Beautiful, Desirable, Environmentally Responsible City
 5. Proactive Regional Collaboration
 6. Dynamic, Diverse Economy
 7. Excellence in City Services
 8. Ease of Mobility

City Council adopted the 2015-2016 budget on October 27, 2014. While the General Fund and Sales Tax Fund are consolidated for year-end financial reporting purposes, they are still separated for budgeting, legal and administrative purposes. Highlights of the 2015 budget include the following:

- The 2015 General Fund operating expenditures are budgeted at \$104.5 million (including contingencies).
- The 2015 General Fund budget is predicated on receiving a transfer payment from the Sales and Use Tax Fund totaling \$68.0 million, which is a 5.9% increase over the 2014 transfer payment of \$64.2 million.
- In 2015, the Contingency account is \$1.0 million in the General Fund. The 2015 General Reserve Fund is projected to be \$10.3 million, the General Fund Stabilization Reserve is projected to be \$4.8 million, the Utility Capital Project Reserve Fund is projected to be \$22.0 million and the Utility Rate Stabilization Reserve is projected to be \$13.3 million.
- The total number of full-time equivalent (FTE) staffing in 2015 is 933.241 FTE, a net increase of 14.5 FTE.
- In order to ensure reliable infrastructure throughout the City that accommodates continued growth, a proactive Capital Improvement Program (CIP) is recommended as a key component of the 2015 Budget. For 2015, total general capital improvements are \$14.2 million and total utility capital improvements are \$27.4 million. 100% of the 2015 CIP will be funded on a “pay-as-you-go” basis.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Tammy Hitchens CPA, CPFO, Finance Director, as follows:

City of Westminster
4800 W. 92nd Ave
Westminster, CO 80031
303-658-2036
thitchen@cityofwestminster.us

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CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,886,043	\$ 4,091,885	\$ 8,977,928
Cash and cash equivalents with fiscal agent	174,732	-	174,732
Investments	92,671,309	77,682,159	170,353,468
Receivables:			
Taxes	22,968,787	-	22,968,787
Accounts	5,575,381	4,673,237	10,248,618
Notes and leases	4,186,731	-	4,186,731
Grants	116,366	-	116,366
Interest	285,989	256,610	542,599
Internal balances	(2,827,986)	2,827,986	-
Inventories	751,349	1,671,804	2,423,153
Property held for resale	31,661,879	-	31,661,879
Prepaid items	315,618	113,258	428,876
Restricted assets:			
Cash and cash equivalents	112,207	275,375	387,582
Cash and cash equivalents with fiscal agent	11,637,127	1,476,886	13,114,013
Investments	2,131,917	4,895,766	7,027,683
Investments with fiscal agent	4,965,654	-	4,965,654
Capital assets:			
Non-depreciable assets	144,751,773	123,472,653	268,224,426
Depreciable assets, net	241,120,355	284,651,511	525,771,866
Notes receivable	-	481,360	481,360
Other assets	687,011	1,100,649	1,787,660
Investment in joint venture	766,708	-	766,708
Total assets	<u>566,938,950</u>	<u>507,671,139</u>	<u>1,074,610,089</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>6,094,210</u>	<u>37,551</u>	<u>6,131,761</u>
LIABILITIES			
Accounts payable and other	12,756,478	4,764,328	17,520,806
Accrued liabilities	2,211,692	523,347	2,735,039
Unearned revenue	53,536	31,125	84,661
Accrued interest	785,119	126,480	911,599
Estimated claims	1,117,141	-	1,117,141
Noncurrent liabilities:			
Due within one year	18,005,824	4,993,935	22,999,759
Due in more than one year	175,039,432	49,600,548	224,639,980
Total liabilities	<u>209,969,222</u>	<u>60,039,763</u>	<u>270,008,985</u>
DEFERRED INFLOWS OF RESOURCES	<u>13,810,272</u>	<u>-</u>	<u>13,810,272</u>
NET POSITION			
Net investment in capital assets	203,103,757	353,498,654	556,602,411
Restricted for:			
Emergencies	3,994,838	-	3,994,838
Capital projects	2,817,014	-	2,817,014
Improvements and open space conservation	5,598,170	-	5,598,170
Debt service	15,381,491	5,132,572	20,514,063
Other purposes	34,071	-	34,071
Unrestricted	118,324,325	89,037,701	207,362,026
Total net position	<u>\$ 349,253,666</u>	<u>\$ 447,668,927</u>	<u>\$ 796,922,593</u>

The accompanying notes are an integral part of the financial statements

CITY OF WESTMINSTER, COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities				
Governmental activities:				
General government	\$ 37,225,374	\$ 4,150,020	\$ 6,663,395	\$ 55,260
Public safety	33,917,996	4,031,642	871,524	-
Public works	14,967,446	2,026,345	-	-
Community development	9,253,118	358,835	43,560	12,806,108
Culture and recreation	23,345,230	7,368,157	214,439	1,246,587
Capital projects	-	-	-	-
Interest and fiscal charges	6,586,443	-	-	-
Unallocated depreciation (excludes direct depreciation of various programs)	304,769	-	-	-
Total governmental activities	125,600,376	17,934,999	7,792,918	14,107,955
Business-type activities:				
Utility	44,811,783	47,890,317	-	7,060,781
Golf	3,528,224	3,427,107	-	-
Westminster Housing Authority	84,666	-	-	-
Total business-type activities	48,424,673	51,317,424	-	7,060,781
Total	\$ 174,025,049	\$ 69,252,423	\$ 7,792,918	\$ 21,168,736

GENERAL REVENUES

Property taxes
Sales taxes
Use taxes
Property tax increment
Sales tax increment
Business fees and other taxes
Accommodations taxes
Intergovernmental not restricted to a specific purpose
Interest
Rentals
Other
Gain on sale of assets

TRANSFERS

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (26,356,699)	-	\$ (26,356,699)
(29,014,830)	-	(29,014,830)
(12,941,101)	-	(12,941,101)
3,955,385	-	3,955,385
(14,516,047)	-	(14,516,047)
-	-	-
(6,586,443)	-	(6,586,443)
(304,769)	-	(304,769)
(85,764,504)	-	(85,764,504)
-	10,139,315	10,139,315
-	(101,117)	(101,117)
-	(84,666)	(84,666)
-	9,953,532	9,953,532
(85,764,504)	9,953,532	(75,810,972)
4,368,847	-	4,368,847
72,444,310	-	72,444,310
14,797,452	-	14,797,452
9,166,487	-	9,166,487
255,093	-	255,093
5,745,800	-	5,745,800
3,478,033	-	3,478,033
224,580	-	224,580
996,457	860,924	1,857,381
409,143	20	409,163
257,781	948,874	1,206,655
71,130	181,736	252,866
(499,157)	499,157	-
111,715,956	2,490,711	114,206,667
25,951,452	12,444,243	38,395,695
323,302,214	435,224,684	758,526,898
\$ 349,253,666	\$ 447,668,927	\$ 796,922,593

CITY OF WESTMINSTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	General Capital Improvement	Westminster Economic Development Authority	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,720,337	\$ 1,863,387	\$ 154,737	\$ 159,080	\$ 3,897,541
Cash and cash equivalents with fiscal agent	4,935	-	-	-	4,935
Investments	32,522,900	35,404,359	2,939,986	3,022,504	73,889,749
Receivables:					
Taxes	13,023,020	-	9,079,243	866,524	22,968,787
Accounts	2,589,166	2,971,845	2,623	11,747	5,575,381
Notes and leases	3,662,500	194,847	329,384	-	4,186,731
Grants	87,016	22,659	-	6,691	116,366
Interest	101,088	102,859	9,175	15,562	228,684
Inventories	751,349	-	-	-	751,349
Property held for resale	31,474	319,659	30,100,523	1,210,223	31,661,879
Prepaid items	31,765	-	-	235	32,000
Restricted assets:					
Cash and cash equivalents	-	-	4,609	107,598	112,207
Cash and cash equivalents with fiscal agent	620	-	11,624,954	11,553	11,637,127
Investments	-	-	87,565	2,044,352	2,131,917
Investments with fiscal agent	1,168,479	-	3,797,175	-	4,965,654
Loans to other funds	120,000	1,125,000	-	-	1,245,000
Total assets	<u>\$ 55,814,649</u>	<u>\$ 42,004,615</u>	<u>\$ 58,129,974</u>	<u>\$ 7,456,069</u>	<u>\$ 163,405,307</u>
LIABILITIES					
Accounts payable and other	\$ 7,482,132	\$ 3,542,557	\$ 1,142,684	\$ 68,408	\$ 12,235,781
Accrued liabilities	2,176,191	7,258	460	1,941	2,185,850
Unearned revenue	20,033	-	33,503	-	53,536
Accrued interest	-	-	-	1,120	1,120
Loans from other funds	-	-	2,470,000	-	2,470,000
Total liabilities	<u>9,678,356</u>	<u>3,549,815</u>	<u>3,646,647</u>	<u>71,469</u>	<u>16,946,287</u>
DEFERRED INFLOWS OF RESOURCES	<u>8,821,907</u>	<u>205,553</u>	<u>9,408,627</u>	<u>239,934</u>	<u>18,676,021</u>
FUND BALANCES					
Nonspendable:					
Long-term receivables	120,000	-	-	-	120,000
Prepays and inventories	783,114	-	-	235	783,349
Property held for resale	31,474	319,659	30,100,523	1,210,223	31,661,879
Restricted for:					
Capital additions and improvements	-	2,500,164	306,417	3,733,864	6,540,445
Contractual obligations	156,914	-	-	15,832	172,746
Debt service	1,012,185	-	14,072,124	-	15,084,309
Emergencies - TABOR	3,976,435	-	-	18,403	3,994,838
Open space conservation and improvements	-	-	-	1,874,739	1,874,739
Public safety	-	-	-	18,239	18,239
Committed for:					
Capital additions and improvements	-	35,429,424	-	-	35,429,424
Urban renewal	-	-	1,044,477	-	1,044,477
Assigned to:					
Community development	-	-	-	147,235	147,235
Debt service	-	-	-	132,587	132,587
Emergencies	6,118,523	-	-	-	6,118,523
Unassigned	25,115,741	-	(448,841)	(6,691)	24,660,209
Total fund balances	<u>37,314,386</u>	<u>38,249,247</u>	<u>45,074,700</u>	<u>7,144,666</u>	<u>127,782,999</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,814,649</u>	<u>\$ 42,004,615</u>	<u>\$ 58,129,974</u>	<u>\$ 7,456,069</u>	<u>\$ 163,405,307</u>

CITY OF WESTMINSTER, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Fund balances - total government funds		\$ 127,782,999
Amounts reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities excluding internal service fund capital assets of \$6,050,515, are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	702,887,175	
Less accumulated depreciation	<u>(323,065,562)</u>	379,821,613
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Bond insurance costs	280,918	
Investment in joint venture	766,708	
Volunteer Fire Pension Plan - net pension asset	<u>687,011</u>	1,734,637
Deferred outflows of resources reflecting the future consumption of net position are not financial resources and therefore are not reported in the governmental funds.		
Deferred loss on refunding of long-term debt		6,094,210
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Governmental long-term debt payable	(181,797,743)	
(Premiums)/discounts on long-term debt payable	(4,559,761)	
Compensated absences	(5,330,563)	
Postemployment benefits	<u>(198,391)</u>	(191,886,458)
Short-term liabilities that are not payable with current financial resources in the current period are not reported in the governmental funds.		
Comp time	(23,712)	
Accrued interest	<u>(766,373)</u>	(790,085)
Deferred inflows of resources in governmental funds susceptible to full accrual on the entity-wide statements.		
		4,865,749
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		
Internal Service Funds, net position	23,233,987	
Internal Service Funds, activity related to enterprise funds	<u>(1,602,986)</u>	21,631,001
Net position of governmental activities		<u><u>\$ 349,253,666</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	General	General Capital Improvement	Westminster Economic Development Authority	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 4,137,333	\$ -	\$ -	\$ 231,514	\$ 4,368,847
Sales taxes	67,724,573	-	-	4,719,737	72,444,310
Use taxes	13,837,066	-	-	960,386	14,797,452
Property tax increment	-	-	9,166,487	-	9,166,487
Sales tax increment	-	-	255,093	-	255,093
Business fees and other taxes	5,745,800	-	-	-	5,745,800
Accommodations taxes	875,684	2,602,349	-	-	3,478,033
Intergovernmental	7,801,515	3,953,801	-	2,911,440	14,666,756
Assessments	-	39,444	-	-	39,444
Licenses and permits	2,459,437	-	-	-	2,459,437
Interest	335,432	364,363	58,525	71,686	830,006
Rentals	-	-	409,143	-	409,143
Contributions	-	2,485,697	-	76,036	2,561,733
Recreation fees	7,379,510	-	-	-	7,379,510
Fines and forfeitures	1,585,060	-	-	2,274	1,587,334
Fleet maintenance billings and other	4,374,067	-	-	-	4,374,067
EMS billings	2,178,911	-	-	-	2,178,911
Other	-	241,920	24,370	92,265	358,555
Total revenues	118,434,388	9,687,574	9,913,618	9,065,338	147,100,918
EXPENDITURES					
General government	40,767,652	733,882	571,063	117,292	42,189,889
Public safety	32,882,207	-	-	-	32,882,207
Public works	7,589,559	-	-	-	7,589,559
Community development	3,526,629	-	-	1,916,055	5,442,684
Culture and recreation	14,964,860	-	-	-	14,964,860
Capital projects	-	15,465,451	8,547,288	1,187,155	25,199,894
Debt service:					
Principal	-	-	5,310,000	5,480,000	10,790,000
Interest and fiscal charges	-	-	3,198,655	2,115,238	5,313,893
Total expenditures	99,730,907	16,199,333	17,627,006	10,815,740	144,372,986
Excess of revenues over (under) expenditures	18,703,481	(6,511,759)	(7,713,388)	(1,750,402)	2,727,932
OTHER FINANCING SOURCES (USES)					
Sale of capital asset	41,790	-	16,200	-	57,990
Transfers in	974,102	9,843,293	857,600	7,764,708	19,439,703
Transfers (out)	(13,162,844)	(412,830)	(956,500)	(5,209,502)	(19,741,676)
Total other financing sources (uses):	(12,146,952)	9,430,463	(82,700)	2,555,206	(243,983)
Net change in fund balance	6,556,529	2,918,704	(7,796,088)	804,804	2,483,949
Fund balance, beginning	30,757,857	35,330,543	52,870,788	6,339,862	125,299,050
Fund balance, ending	\$ 37,314,386	\$ 38,249,247	\$ 45,074,700	\$ 7,144,666	\$ 127,782,999

CITY OF WESTMINSTER, COLORADO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2014

Net changes in fund balances - total government funds \$ 2,483,949

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts, exclusive of internal service fund activity, are the differences in the treatment of capital assets.

Expenditures for capital assets	19,531,529	
Transfers of capital assets to enterprise funds	(274,014)	
Current year depreciation	<u>(17,426,057)</u>	1,831,458

In the governmental funds, the proceeds from the sale of assets increase financial resources, while in the statement of activities, only the gain/loss on the sale of assets is reported. These amounts are the differences in the treatment of the transactions involving capital assets.

Proceeds from sale of capital assets	(57,990)	
Loss on sale of capital assets	<u>(109,372)</u>	(167,362)

In governmental funds, issuance of long-term debt provides, and principal repayments and bond insurance costs consume, current financial resources and are reported as revenues and expenditures, while in government-wide reporting, these transactions are reported as adjustments to noncurrent liabilities, having no effect on the change in net position. These amounts are the differences in the treatment of long-term debt.

Principal payments		16,582,472
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of bond discount/premium, deferred loss on refunding and bond insurance costs	(1,266,715)	
Accrual of interest expense	20,763	
Adjustment to long-term compensated absences liability	(145,476)	
Adjustment to postemployment benefit obligation	<u>(43,157)</u>	(1,434,585)

Some revenues in the Statement of Activities do not provide current financial resources and are not reported as revenues in the governmental fund statements. These revenues result from the contribution of capital assets.

Capital contributions		5,926,767
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements until they become available. As a result, some revenues recognized in governmental funds may have been recognized in the statement of activities in prior years. These amounts are the difference in the treatment of revenue recognition.

Investment in Joint Venture	(135,531)	
Intergovernmental revenue	(1,089,509)	
Fines and forfeitures	56,551	
Fleet maintenance billing and other	<u>73,388</u>	(1,095,101)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities in the government-wide statement of net position as they predominately benefit governmental activities.

Change in net position, Internal Service Funds	1,970,961	
Internal allocation to Business-type activities	<u>(147,107)</u>	

1,823,854

Change in net position of governmental activities		<u>\$ 25,951,452</u>
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CITY OF WESTMINSTER, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business-type Activities			Governmental Activities Internal Service Funds
	Enterprise Funds			
	Utility	Other Nonmajor Proprietary Funds	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,967,121	\$ 124,764	\$ 4,091,885	\$ 988,502
Cash and cash equivalents with fiscal agent	-	-	-	169,797
Investments	75,375,295	2,306,864	77,682,159	18,781,560
Receivables:				
Accounts	4,673,163	74	4,673,237	-
Interest	249,580	7,030	256,610	57,305
Inventories	1,470,368	201,436	1,671,804	-
Bond issuance and other prepaid items	88,602	24,656	113,258	2,700
Total current assets	<u>85,824,129</u>	<u>2,664,824</u>	<u>88,488,953</u>	<u>19,999,864</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	275,375	-	275,375	-
Cash and cash equivalents with fiscal agent	1,476,886	-	1,476,886	-
Investments	4,895,766	-	4,895,766	-
Loans to other funds	1,225,000	-	1,225,000	-
Capital assets:				
Non-depreciable assets	109,815,806	13,656,847	123,472,653	-
Depreciable assets, net	279,296,795	5,354,716	284,651,511	6,050,515
Notes receivable	84,483	396,877	481,360	-
Other assets	1,100,649	-	1,100,649	-
Total noncurrent assets	<u>398,170,760</u>	<u>19,408,440</u>	<u>417,579,200</u>	<u>6,050,515</u>
Total assets	<u>483,994,889</u>	<u>22,073,264</u>	<u>506,068,153</u>	<u>26,050,379</u>
DEFERRED OUTFLOWS OF RESOURCES				
	-	37,551	37,551	-
LIABILITIES				
Current liabilities:				
Accounts payable and other	4,721,419	42,909	4,764,328	520,697
Accrued liabilities	462,533	60,814	523,347	2,130
Unearned revenue	-	31,125	31,125	-
Bonds payable, current portion	1,475,000	-	1,475,000	-
Notes payable, current portion	2,754,304	-	2,754,304	-
Lease payable, current portion	-	663,703	663,703	312,930
Other liabilities, current portion	90,738	10,190	100,928	6,293
Accrued interest	99,187	27,293	126,480	17,626
Estimated claims	-	-	-	1,117,141
Total current liabilities	<u>9,603,181</u>	<u>836,034</u>	<u>10,439,215</u>	<u>1,976,817</u>
Noncurrent liabilities:				
Bonds payable	28,030,000	-	28,030,000	-
Notes payable	15,620,128	-	15,620,128	-
Leases payable	-	4,400,952	4,400,952	816,716
Other liabilities payable	1,283,634	265,834	1,549,468	22,859
Total noncurrent liabilities	<u>44,933,762</u>	<u>4,666,786</u>	<u>49,600,548</u>	<u>839,575</u>
Total liabilities	<u>54,536,943</u>	<u>5,502,820</u>	<u>60,039,763</u>	<u>2,816,392</u>
NET POSITION				
Net investment in capital assets	339,514,194	13,984,460	353,498,654	4,879,455
Restricted for:				
Debt service	5,132,572	-	5,132,572	-
Unrestricted	84,811,180	2,623,535	87,434,715	18,354,532
Total net position	<u>\$ 429,457,946</u>	<u>\$ 16,607,995</u>	<u>446,065,941</u>	<u>\$ 23,233,987</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			1,602,986	
Net position of business-type activities			<u>\$ 447,668,927</u>	

CITY OF WESTMINSTER, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities			Governmental Activities Internal Service Funds
	Enterprise Funds			
	Utility	Other Nonmajor Proprietary Funds	Total	
Operating revenues				
Charges for services	\$ 47,890,317	\$ 3,427,107	\$ 51,317,424	\$ 16,880,978
Rentals	-	20	20	-
Other	342,821	117,017	459,838	-
Total operating revenues	<u>48,233,138</u>	<u>3,544,144</u>	<u>51,777,282</u>	<u>16,880,978</u>
Operating expenses				
Personnel services	15,820,995	1,621,098	17,442,093	269,337
Contractual services	11,129,002	678,012	11,807,014	2,263,397
Commodities	1,702,217	538,511	2,240,728	15,462
Capital expense	1,869,695	49,828	1,919,523	137,715
Insurance and other expenses	2,320	-	2,320	11,041,198
Depreciation expense	12,169,242	565,678	12,734,920	1,492,579
Total operating expenses	<u>42,693,471</u>	<u>3,453,127</u>	<u>46,146,598</u>	<u>15,219,688</u>
Operating income (loss)	<u>5,539,667</u>	<u>91,017</u>	<u>5,630,684</u>	<u>1,661,290</u>
Nonoperating revenues (expenses)				
Income on investments	842,991	17,933	860,924	188,309
Interest expense	(2,244,685)	(166,341)	(2,411,026)	(26,598)
Gain/(loss) on disposition of capital assets	(14,156)	181,736	167,580	71,130
Other	479,758	9,278	489,036	-
Total nonoperating revenues (expenses)	<u>(936,092)</u>	<u>42,606</u>	<u>(893,486)</u>	<u>232,841</u>
Income before contributions and transfers	4,603,575	133,623	4,737,198	1,894,131
Capital contributions	7,060,781	274,014	7,334,795	-
Transfers in	-	579,143	579,143	76,830
Transfers (out)	(354,000)	-	(354,000)	-
Change in net position	11,310,356	986,780	12,297,136	1,970,961
Net position - beginning	418,147,590	15,621,215		21,263,026
Net position - ending	<u>\$429,457,946</u>	<u>\$ 16,607,995</u>		<u>\$ 23,233,987</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			147,107	
Change in net position of business-type activities			<u>\$ 12,444,243</u>	

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities			Governmental Activities Internal Service Funds
	Enterprise Funds			
	Utility	Other Nonmajor Proprietary Funds	Total	
Cash flows from operating activities:				
Receipts from customers	\$ 47,894,433	\$ 3,546,311	\$ 51,440,744	\$ -
Receipts from interfund charges for risk management services	-	-	-	12,313,803
Receipts from interfund charges for capital outlay replacement	-	-	-	2,308,657
Cash payments to employees for services	(12,571,736)	(1,598,530)	(14,170,266)	(264,079)
Cash payments to suppliers for goods and services	(15,112,616)	(1,265,751)	(16,378,367)	(13,044,973)
Payments (to) from other funds	(3,471,058)	-	(3,471,058)	2,258,518
Other operating revenues	342,821	-	342,821	-
Net cash provided by (used in) operating activities	<u>17,081,844</u>	<u>682,030</u>	<u>17,763,874</u>	<u>3,571,926</u>
Cash flows from noncapital financing activities:				
Interfund lending	200,000	-	200,000	-
Miscellaneous	-	9,278	9,278	-
Transfer in	-	579,143	579,143	76,830
Transfer out	(354,000)	-	(354,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(154,000)</u>	<u>588,421</u>	<u>434,421</u>	<u>76,830</u>
Cash flows from capital and related financing activities:				
Principal paid on long-term debt	(4,689,246)	(544,106)	(5,233,352)	(394,573)
Interest paid on long-term debt	(2,514,863)	(151,577)	(2,666,440)	(34,684)
Acquisition and construction of capital assets	(17,022,471)	(1,253,916)	(18,276,387)	(1,177,496)
Proceeds from sale of capital assets	24,020	537,684	561,704	68,652
Contributions	6,618,461	-	6,618,461	-
Proceeds from capital lease financing	-	1,101,068	1,101,068	-
Interest subsidy on capital debt	479,758	-	479,758	-
Net cash provided by (used in) capital and related financing activities	<u>(17,104,341)</u>	<u>(310,847)</u>	<u>(17,415,188)</u>	<u>(1,538,101)</u>
Cash flow from investing activities:				
Proceeds from sale of investments	39,403,614	830,899	40,234,513	8,844,960
Purchases of investments	(40,273,365)	(1,749,093)	(42,022,458)	(11,035,248)
Interest received on investments	644,716	7,302	652,018	197,199
Net cash provided by (used in) investing activities	<u>(225,035)</u>	<u>(910,892)</u>	<u>(1,135,927)</u>	<u>(1,993,089)</u>
Net increase (decrease) in cash and cash equivalents	(401,532)	48,712	(352,820)	117,566
Cash and cash equivalents - beginning of year	6,120,914	76,052	6,196,966	1,040,733
Cash and cash equivalents - end of year	<u>\$ 5,719,382</u>	<u>\$ 124,764</u>	<u>\$ 5,844,146</u>	<u>\$ 1,158,299</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

	Business-type Activities			Governmental Activities Internal Service Funds
	Enterprise Funds			
	Utility	Other Nonmajor Proprietary Funds	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 5,539,667	\$ 91,017	\$ 5,630,684	\$ 1,661,290
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	12,169,242	565,678	12,734,920	1,492,579
(Increase) decrease in accounts receivable	4,116	5	4,121	-
(Increase) decrease in inventories	(3,043)	(3,733)	(6,776)	-
(Increase) decrease in prepaid items	(1,138)	863	(275)	34,220
Increase (decrease) in unearned revenue	-	2,162	2,162	-
Increase (decrease) in accounts payable and other	(684,796)	27,261	(657,535)	203,567
Increase (decrease) in accrued liabilities	57,796	(1,223)	56,573	2,520
Increase (decrease) in estimated claims	-	-	-	177,750
Total adjustments	11,542,177	591,013	12,133,190	1,910,636
Net cash provided by (used in) operating activities	\$ 17,081,844	\$ 682,030	\$ 17,763,874	\$ 3,571,926

Non-cash investing, capital, and financing activities - proprietary funds:

- * The Utility Fund disposed of capital assets at a loss of \$38,176.
- * A contribution of \$18,627 was recorded in the Utility Fund to reflect the City's equity interest in the Church Ditch Water Authority.
- * Capital contributions were received by the Utility Fund from developers totaling \$423,693.
- * Capital contributions were received by the Golf Funds from the General Capital Improvement Fund in the amount of \$8,322.
- * Capital contributions were received by the Westminster Housing Authority from the Community Development Block Grant Fund in the amount of \$265,692.
- * Accounts payable and retainage used to acquire capital assets increased by \$1,206,371 for the Utility Fund.
- * The unrecognized gain recorded to value the non-cash investments of the enterprise funds to fair market value was \$163,575.
- * Net amortization totaling \$75,982 was recognized through the amortization of bond premiums, discounts, deferred loss on refunding, and bond insurance costs.
- * Accrued interest decreased for enterprise funds by \$33,285.
- * An allowance for doubtful collection was recorded for a note receivable in the amount of \$164,000 in the Westminster Housing Authority.

Non-cash investing, capital, and financing activities - internal service funds:

- * The unrecognized gain recorded to value the non-cash investments of the City's internal service funds to fair market value was \$34,509.
- * Accrued interest decreased for the General Capital Outlay Replacement Internal Service Fund by \$8,086.
- * Accounts payable used to acquire capital assets decreased by \$298,093 for the General Capital Outlay Replacement Internal Service Fund.
- * The General Capital Outlay Internal Service Fund disposed capital assets at a gain of \$2,478.

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**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City is a municipality governed by an elected mayor and six additional members of Council. For financial reporting purposes, these financial statements include all funds of the primary government as well as component units determined to be included in the City's financial reporting entity because of their significant operational and financial relationship with the City.

Component Units

As established by the Governmental Accounting Standards Board (GASB) Statement No.14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, component units are legally separate entities for which the City is considered to be financially accountable. Financial accountability means that the City appoints a voting majority to the governing board and has the ability to impose its will upon the entity and/or accepts potential responsibility for the entities financial benefits and burdens.

Component units that meet the inclusion criteria are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in a separate column from the primary government to emphasize their legal separateness from the City. Blended component units are, in substance, part of City operations, therefore data from these units are combined with the City. Separate financial statements are not prepared for blended component units. The City's component units are all blended and each has a December 31 year end.

Westminster Housing Authority (WHA) was established on December 8, 1977 with the primary purpose of providing affordable housing to residents in the City. The governing body of WHA is the same as the City's governing body. The City has access to WHA's resources, if necessary, to use for the purposes for which the revenues were intended. The City maintains all accounting records and reports WHA as an enterprise fund.

Westminster Economic Development Authority (WEDA) was established on September 14, 1987 with the primary purpose of undertaking urban renewal activities with the City. The governing body of WEDA is the same as the City's governing body. The City has access to WEDA resources, if necessary, to use for the purposes for which the revenues were intended. The City maintains all accounting records and reports WEDA as a major governmental fund.

General Improvement Districts (GID)

- *Sheridan Crossing GID* was established on September 9, 1996 with the primary purpose of operating and maintaining storm drainage improvements and maintenance of all necessary incidental and appurtenant properties and facilities within the GID.
- *Amherst GID* was established on September 26, 1988 with the primary purpose of maintaining landscaped right-of-way, open space and drainage areas within the GID.
- *136th Avenue GID* was established on August 14, 2000 with the primary purpose of financing a new interchange at 136th Avenue and Interstate 25 benefitting the GID.
- *Orchard Park Place North GID* was established on September 14, 2009 with the primary purpose of financing the repayment of cost recoveries associated with the Orchard View Development within the GID.
- *Promenade Parking GID* was established on August 14, 2000 with the primary purpose of financing, operating and maintaining a parking garage within the GID.
- *Mandalay Town Center GID* was established on September 8, 2003 with the primary purpose of financing a portion of the costs of street improvements and other necessary and related appurtenance facilities in the GID.
- *144th Avenue GID* was established on August 30, 2004 with the primary purpose of paying debt associated with public improvements within or without the GID.

The boundaries of these GIDs are located within the City limits and the governing body of each of these GIDs is the same as the City's governing body. The City has access to each of the GIDs resources, if necessary, to

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

use for the purposes for which the revenues were intended. The City maintains all of the GID accounting records and reports each GID as a governmental special revenue fund.

Westminster Building Authority (WBA)

The City created the Westminster Building Authority as a non-profit corporation under State law (Articles 20 through 29, inclusive of Title 7 of the Colorado Revised Statutes). The Building Authority is intended to be the City's financing arm and, as such, allows the City to avoid paying fees to an outside third-party financing corporation. WBA is not presented in the financial statements as it assigned its right to receive and enforce payments relating to debt service of these financial benefits to a trustee and it has no assets or liabilities of its own.

B. Basic Financial Statements

The basic financial statements include government-wide and fund financial statements. The government-wide statements focus on the City as a whole and the fund financial statements focus on the major individual funds of the governmental and business-type categories. The government-wide financial statements categorize primary activities as either governmental or business-type. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

Government-Wide Statements

The government-wide statement emphasis is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the year.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net expenses per functional category (Public Safety, Public Works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions.

Transfers between governmental funds and between enterprise funds are reported in total at the fund level, and are not carried forward to the government-wide statements; transfers between governmental activities and business-type activities are reported in the respective activities columns of the Statement of Activities, resulting in elimination of transfer activity at the government-wide level.

The net expense (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, interest income, etc.).

Fund Financial Statements

The fund financial statements emphasis is on major governmental and proprietary fund categories. Nonmajor funds (by category) are summarized into a single column, unless the City believes a nonmajor fund (under major fund criteria) is particularly important to financial statement users, in which case it is reported as a major fund.

The governmental funds in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

presentation is deemed most appropriate to demonstrate (a) legal and covenant compliance, (b) the source and use of liquid resources, and (c) how the City's actual experience conforms to the budget plan.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each fund statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Reporting of Internal Service and Fiduciary Funds

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, net position of internal service funds is consolidated with governmental activities when presented at the government-wide level. As appropriate, surplus or deficits are allocated back to customers in the entity-wide Statement of Activities and are therefore not eliminated in the consolidation of interfund services provided and used.

Until 2014, the Volunteer Firefighter Pension Trust Fund was presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position as a defined benefit retirement plan. In 2001, plan assets were transferred to the Fire and Police Pension Association of Colorado (FPPA) to manage through an agent multiple-employer plan arrangement. Under this arrangement, the plan no longer meets the criteria to be reported as a fiduciary fund of the City. With managerial responsibility for the plan, FPPA reports the Volunteer Firefighter Pension Trust in its audited annual financial report. The City continues to provide disclosure about the plan in Note 3 – Other Information, Part I of the Financial Statements as required by the Governmental Accounting Standards Board.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements section.

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 45 days after year-end.

Sales taxes, property and other imposed taxes, as well as business fees and interest earnings associated with the current fiscal period are all susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of tax assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt and certain compensated absences and claims and judgments, which are recognized when the obligations are due.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

General Capital Improvement Fund accounts for the financing and construction of projects ranging from parks, street improvements, and traffic signals to fire station construction and remodeling. Financing is provided by investment earnings, General Fund and Conservation Trust Fund revenues, intergovernmental revenues, contributions, bond proceeds and transfers.

Westminster Economic Development Authority Fund is a special revenue fund that accounts for the monies for urban renewal activity. Financing is provided by the incremental increases of both property tax and sales tax within the boundaries of the Authority. Proceeds from bond issues are used to finance capital improvements.

Proprietary funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, deferred outflows of resources, revenues, expenses, and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The generally accepted accounting principles followed are generally those applicable to similar businesses in the private sector; the measurement focus is based upon determination of *net income, financial position, and cash flows*. Revenues earned and expenses incurred are recognized and classified in a government's proprietary funds in essentially the same manner as in business-type accounting and financial reporting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary fund:

Utility Fund accounts for all activities necessary to provide water, sewer and storm drainage services to City residents and some outside users, financing of such activities and related debt service.

The City additionally reports the following Fund types:

Internal Service Funds account for operations that provide services to other departments or agencies of the City on a cost-reimbursement basis. The City has three internal service funds that are used for self-insurance purposes; property and liability, workers' compensation, and medical and dental insurance. In addition, the City has one internal service fund used for replacement of capital equipment.

D. Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources

Deposits and Investments

The City's cash and cash equivalents include amounts that are readily convertible to known amounts of cash and are not subject to significant risk from changes in interest rates.

Investments are reported at fair value. For cash and cash equivalents, the fair value approximates the carrying value. For long-term investments, fair value is determined via dealer quotes. The City considers all investments with original maturities at three months or less to be cash equivalents.

Receivables

The receivables for property taxes are recognized as of the lien date. Taxes are liened on January 1, certified to the counties in December, levied on January 1 of the following year, and subsequently paid in either one installment on April 30, or two installments on February 28 and June 15. Property taxes are recognized as

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receivables and deferred inflows of resources when liened, and as revenue when available for collection in the following year. The respective counties bill and collect the City's property taxes.

Assessments are also enforceable liens on property. They are certified to the counties when liabilities for special improvement districts are established. Payments, billings, and collections are handled by the counties in the same manner as property taxes, or the City collects the assessments directly.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expense/expenditure when consumed, rather than when purchased.

Prepaid items reflect payments to vendors applicable to future accounting periods; the associated expense/expenditure is recognized in the period benefited by the prepayment.

Property Held for Resale

Property held for resale reflects properties acquired by the City for the express purpose of resale. Since these assets are intended to be converted to cash rather than to be used in daily operations, they are reported in governmental fund statements as financial assets valued at the lesser of either cost or net realizable value. Typically, properties held for resale are intended to be sold for economic development purposes.

Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Position and Fund Statement Balance Sheets because their use is limited by applicable debt covenants. The General Fund; Westminster Economic Development Authority Special Revenue Fund; and the Utility Enterprise Fund have restricted assets which consist of bond proceeds and other cash and investments mandated by indenture to be segregated for the construction of various projects and payment of debt. The Community Development Block Grant Fund has cash and deposits that are restricted due to the Department of Housing and Urban Development and/or debt requirements. The Conservation Trust Fund has restricted cash that is restricted due to the legal requirements of the program.

Capital Assets

Capital assets with a value of \$5,000 or more are recorded at historical cost. Major outlays for constructed capital assets and improvements are capitalized when the assets are placed in service and the improvements are complete. Donated capital assets are recorded at estimated fair value at the date of donation. Costs that do not add to the value of an asset or materially extend its useful life are not included in its capitalized value. Infrastructure includes all streets and other pavement, bridges, storm drainage, signs, and traffic signals. Capital assets are depreciated using the straight-line method over their estimated useful lives:

Depreciable Life Schedule

<u>Capital Asset</u>	<u>Life Months</u>
Machinery and equipment	36-240
Buildings and plants	360-600
Improvements other than buildings	240-600
Parks	240
Infrastructure	120-600

Assets recorded under capital lease agreements are either amortized over the term of the lease or the estimated useful life of the asset, whichever period is shorter. Amortization expense for capital leases is included in the depreciation line item on the financial statements.

Included in business-type activities is the interest incurred during the construction phase of capital assets, net of interest earned on the invested proceeds over the same period (other than for taxable debt).

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Long-Term Debt Insurance Costs

In the governmental funds, bond insurance costs are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities, in the government-wide statements) bond insurance costs are prepaid and amortized over the term of the bonds.

Deferred Outflows Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding debt reported in the proprietary fund statements and in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Long-Term Debt Premiums and Discounts

In the governmental funds, bond premiums and discounts are treated as period costs in the year of issue. In the proprietary funds (and for the governmental activities, in the government-wide statements) bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long term debt in the financial statements.

Other Long-Term Liabilities

Compensated absences, postemployment benefits other than pension (OPEB), and pollution remediation obligations are reported as Other Liabilities in the proprietary fund financial statements. In proprietary funds and in the government-wide statements, these liabilities are accrued when incurred.

In governmental funds, compensated absences is accrued as a fund liability when it becomes payable following an employee's resignation or retirement; otherwise compensated absences and OPEB are considered long-term and are not accrued as fund liabilities. Pollution remediation obligations are accrued when extinguishable with current financial resources; otherwise, they are not accrued.

Compensated absences and OPEB are liquidated by the fund in which an employee works. The General Fund is typically used to liquidate these liabilities for the general government. Pollution remediation obligations are liquidated by the fund responsible for the remediation activity.

Differences in the treatment of these liabilities between governmental fund statements and the Statement of Net Position, Governmental Activities are accounted for in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) that will be recognized as a revenue at that time.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied. Unavailable fund resources are recognized as revenue in the government-wide statement of net position.

Use of Estimates

In preparing the City's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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E. Net Position/Fund Balances

Net position reflects assets plus deferred outflows less liabilities plus deferred inflows and is shown in three main categories in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt used to acquire, construct and improve capital assets. Net position is restricted when constraints placed on net resources are externally imposed. Remaining net position is reported as unrestricted.

Fund balance reflects assets plus deferred outflows less liabilities and deferred inflows and is shown only in governmental fund statements. Financial reporting standards establish criteria for classifying fund balance amounts into specifically defined categories to make the nature and extent of constraints on those amounts more useful and understandable. The categories comprise a hierarchy based on the extent to which constraints must be honored for a specified purpose and for which amounts can be spent. Fund balances may be categorized as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable Fund Balance cannot be spent because it is either in nonspendable form or is legally or contractually required to be maintained intact. Examples include items not expected to be converted to cash such as inventories and prepaid assets.

Restricted Fund Balance is restricted for specific purposes based on constraints externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance is constrained for specified purposes through ordinance, resolution, motion or order adopted by the City Council, and can be rescinded only through the same type of formal action used to establish the commitment. Each of these official actions are equally binding upon the City.

Assigned Fund Balance is constrained for specified purposes by the City Manager as authorized by the City's charter.

Unassigned Fund Balance is unconstrained and comprised of residual uncategorized fund balance amounts.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, restricted amounts are deemed to be used first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are considered to be reduced first, followed by assigned amounts and then by unassigned amounts.

In 2009, City Council adopted a resolution establishing the General Fund Stabilization Reserve, which is intended to level the ebbs and flows of revenue collections, particularly sales and use tax revenues, and to smooth out any peaks or valleys that result from the unpredictable nature of this primary revenue source. The General Fund Stabilization Reserve is intended to enable continuous delivery of City services despite downturns in the economy. The reserve may be tapped prior to, in conjunction with or as a final step after budget reductions have been made. When not in an economic downturn, the target amount of the General Fund Stabilization Reserve in any given year is between 5% and 10% of the total sales and use tax revenues for that year. Should the reserve fall below the lower threshold of 5%, it will be replenished from various sources once economic conditions allow. At December 31, 2014, the General Fund Stabilization Reserve balance was \$4,778,077. This amount is included in the unassigned fund balance on the balance sheet.

F. Interfund Transactions

In the fund financial statements, interfund transactions are reflected as loans, services provided and used, reimbursements or transfers. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "loans to" and "loans from" other funds. In governmental funds, loans to other funds are offset by an equal nonspendable fund balance to indicate that resources are not available for appropriation. Short-term advances between funds are reported as "due to" and "due from" other funds.

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Services provided and used are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges a benefiting fund for the costs and directly reduces its own costs related to the reimbursement.

All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide columnar presentation.

In the government-wide Statement of Net Position, loans between governmental and business type activities are reflected as internal balances.

NOTE 2 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

Federal Deposit Insurance covers up to \$250,000 in balances per depositor (e.g. City, WEDA), per insured bank, for each account ownership category. Deposit balances above amounts covered by Federal Deposit Insurance are collateralized in accordance with provision of the Colorado Public Deposit Protection Act (PDPA). The collateral is pooled and held in trust for all uninsured deposits as a group.

The total balance of the City's cash deposits as of December 31, 2014 was \$21,536,605, of which \$543,432 was covered by Federal Deposit Insurance. An additional \$500,000 in Federal Deposit Insurance covers deposits held separately for the Westminster Economic Development Authority. The carrying amount of deposits and cash on hand at December 31, 2014 was \$21,125,058.

Investments

The City as a home rule municipality operating under its City Charter is allowed under Colorado State Statutes to promulgate and implement local standards for cash and investment management operations. It is the policy of the City to invest public funds in a manner that will provide preservation of capital, meet the daily liquidity needs of the City, diversify the City's investments, conform to all local rules and state statutes governing the investment of public funds, and generate market rates of return.

The adopted Investment Policy for the City authorizes all investments to be made in accordance with Colorado Revised Statutes. The provision of the City's Investment Policy apply to all investable funds of the City to include trust funds, bond ordinance accounts and reserve accounts. The reserve and trust accounts are further defined with additional investment guidelines. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal and investment management of the City's funds.

The City's principal investment objectives are:

- Preservation of capital and protection of investment principal
- Maintenance of sufficient liquidity to meet anticipated cash flows
- Diversification to avoid incurring unreasonable financial risks
- Attainment of a market rate of return as defined in Section XIII of the Investment Policy
- Conformance with all applicable City policies, State statutes and Federal regulations

The City's investments are subject to interest rate, credit and concentration of credit risk, which are mitigated by Colorado State Statutes as follows:

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to less than seven years, unless matched to a specific cash flow.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by maintaining the weighted average maturity not to exceed three years.

**CITY OF WESTMINSTER, COLORADO
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Credit Risk. In accordance with its investment policy, the City manages its credit risk by requiring at the time of purchase that the security be rated by at least two nationally recognized credit rating agencies as further defined in the Investment policy.

The City's securities at December 31, 2014, were in compliance with the City's Investment Policy. The City's investment policy follows Colorado Revised Statutes 24-75-602.1(j) and any changes enacted in the statutes.

Concentration of Credit Risk. In accordance with the City's investment policy, investments are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Percentage limitations used for measurements are based on the percentage of cost value of the portfolio as defined within the Investment Policy.

Local Government Investment Pools. At December 31, 2014, the City had invested \$2,004,064 in Colorado Surplus Asset Fund Trust (CSAFE), and \$396,450 in the Colorado Local Government Liquid Asset Trust (COLOTRUST), investment vehicles established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools.

CSAFE and COLOTRUST are 2a7-like investment pools and are not subject to interest rate risk disclosure. CSAFE and COLOTRUST operate similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares. Each pool is rated AAAM by Standard and Poor's.

The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits, and Money Market Funds.

Cash, cash equivalents and investments as reported on the financial statements at December 31, 2014

Cash and cash equivalents	\$ 8,977,928
Cash and cash equivalents with fiscal agent	174,732
Investments	170,353,468
Restricted cash and cash equivalents	387,582
Restricted cash and cash equivalents with fiscal agent	13,114,013
Restricted investments	7,027,683
Restricted investments with fiscal agent	4,965,654
Total per Statement of Net Position:	<u>\$ 205,001,060</u>

**CITY OF WESTMINSTER, COLORADO
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Credit Quality Distribution for Securities as a Percentage of Total Investments

<u>Investment Type</u>	<u>S & P Rating</u>	<u>% of Total Investments</u>
Local Government Investment Pool CSAFE	AAAm	1.09%
Local Government Investment Pool COLOTRUST	AAAm	0.22%
Commercial Paper Barclays US Funding	A-1	1.90%
Commercial Paper Societe Generale NA	A-1	1.63%
Corporate Toyota Motor Credit	AA-	3.84%
Corporate IBM Corp	AA-	3.04%
Corporate US Bank NA	AA-	2.99%
Corporate General Electric	AA+	2.78%
Corporate Berkshire Hathaway	AA	2.30%
Corporate New York Life Global Funding	AA+	1.46%
Corporate Procter & Gamble	AA-	1.38%
Corporate Chevron Corp	AA	1.22%
Corporate Johnson & Johnson	AAA	1.11%
Corporate Apple Inc	AA+	1.09%
Corporate Metlife Global	AA-	0.87%
Corporate Colgate-Palm Co.	AA-	0.82%
Municipal Westminster EDA	NR	1.13%
Municipal Milwaukee Cnty WI GO	AA	0.78%
US Treasury Securities	AA+	25.30%
Federal Farm Credit Banks	AA+	6.24%
Federal Home Loan Bank System	AA+	8.90%
Freddie Mac (Federal Home Loan Mortgage Corporation)	AA+	11.32%
Fannie Mae (Federal National Mortgage Association)	AA+	16.42%
Money Market First American Government Obligations Fund	AAAm	2.07%
Money Market First American Treasury Obligations Fund	AAAm	0.10%

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (years)</u>
Local Government Investment Pool	\$ 2,400,514	- ⁽¹⁾
Commercial Paper	6,495,727	0.24
US Treasuries	46,517,817	1.84
US Instrumentalities	78,859,815	2.20
Domestic Corporate Securities	42,113,487	1.48
Municipal	3,515,216	1.99
Money Market Funds	3,973,426	0.13
Total Investments controlled by City	<u>\$ 183,876,002</u>	
Portfolio weighted average maturity		1.80

⁽¹⁾ Weighted average maturity for Local Government Investment Pool reported as zero as this is considered a cash equivalent; funds may be redeemed on demand and without redemption penalty.

**CITY OF WESTMINSTER, COLORADO
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B. Disaggregation of Receivables

Receivables at December 31, 2014, were as follows:

	Taxes	Accounts	Notes and Leases	Grants	Interest	Total Receivables
Governmental Activities:						
General	\$ 13,023,020	\$ 4,474,599	\$ 3,662,500	\$ 87,016	\$ 101,088	\$ 21,348,223
GCIF	-	2,971,845	194,847	22,659	102,859	3,292,210
WEDA	9,079,243	2,623	329,384	-	9,175	9,420,425
Nonmajor governmental	866,524	11,747	-	6,691	15,562	900,524
Less: Allowance for Doubtful Accounts	-	(1,885,433)	-	-	-	(1,885,433)
Subtotal	22,968,787	5,575,381	4,186,731	116,366	228,684	33,075,949
Reconciliation of balances to government-wide financial statements:						
Internal service funds	-	-	-	-	57,305	57,305
Total - Governmental Activities	<u>\$ 22,968,787</u>	<u>\$ 5,575,381</u>	<u>\$ 4,186,731</u>	<u>\$ 116,366</u>	<u>\$ 285,989</u>	<u>\$ 33,133,254</u>
Business-type Activities:						
Utilities	\$ -	\$ 4,673,163	\$ 84,483	\$ -	\$ 249,580	\$ 5,007,226
Nonmajor proprietary	-	74	2,414,000	-	7,030	2,421,104
Less: Allowance for Doubtful Accounts	-	-	(2,017,123)	-	-	(2,017,123)
Total - Business-type Activities:	<u>\$ -</u>	<u>\$ 4,673,237</u>	<u>\$ 481,360</u>	<u>\$ -</u>	<u>\$ 256,610</u>	<u>\$ 5,411,207</u>

C. Notes and Leases Receivable

In the governmental fund financial statements, long-term receivables, such as special assessments and capital leases receivable, are offset by deferred inflow of resources until recognized as revenue at the time of collection. Operating lease revenue is reported as income as it is earned. The net investment in a capital lease becomes receivable when benefits and risks associated with ownership of the property transfer to the lessee, typically at inception of the lease agreement.

The capital lease with Hyland Hills Parks and Recreation District represents a sublease for an undivided 50% interest in the Ice Centre to be paid over 25 years. In the event of default, Hyland Hills' interest would be reduced by two percent for each year the lease obligation was not met. The net interest rate on the lease is 3.385%.

The note with Catellus Development Corporation represents the final special assessment payment due on land purchased by Catellus.

The note with Community Resources & Housing Development Corp. is for the construction and purchase of a 12,000 square foot building located in the South Westminster Urban Renewal Area. The note requires monthly payments of principal and interest, with a balloon payment due in January, 2017. Interest rates on the loan change annually and range from 2.5% to 3.0%.

The City considers these amounts to be fully collectable and therefore, no reserve has been established. The City will periodically reassess the collectability of the notes receivable and record a reserve if deemed necessary.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
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Description of notes and leases receivable

Governmental Activities	Purpose of Issue	Amount Issued	Amount Outstanding	Scheduled Payments	Final Payment
Catellus Development Corporation	Land SID assessment	\$ 194,847	\$ 194,847	one-time pymt	*
Hyland Hills Park and Recreation District	Ice Centre	4,975,000	3,662,500	semi-annually	2022
Community Resources & Housing Development Corp	Development Corp Building Construction	355,513	329,384	monthly	2017
Total Governmental Activities		<u>\$ 5,525,360</u>	<u>\$ 4,186,731</u>		

* The payment is due at such time as a building permit is issued for a third office building in Circle Point Corporate Center.

The Westminster Housing Authority entered into a note with Community Builders for the construction of a 12,000 square foot building. Certain performance provisions of the note were satisfied in 2009. Therefore, the principal is forgiven at the rate of 10% per year. An allowance for doubtful accounts has been established for the remaining balance of \$164,000 at December 31, 2014.

The Westminster Housing Authority entered into a note with Westminster Commons VOA, LP as part of the sale of the Westminster Commons senior housing complex. Repayment will be made from projected cash flows generated by the project beginning in 2015 with a balloon payment of any unpaid principal and accrued interest in 2052. Interest is compounded annually at the rate of 3.6%. Due to the limited projected cash flows and unsecured subordinate note, an allowance for doubtful accounts has been established in the amount of \$1,853,123 at December 31, 2014. Actual cash flows and updated project cash flows will be reviewed annually with the allowance for doubtful accounts adjusted when necessary.

The Utility Fund entered into notes receivable with West 117th Master HOA, Village at Park Center HOA and Life Fellowship Church. These notes allow the water system user to pay for the cost of connecting to the water system over a period of time. Payment amounts are based on water usage and collected along with the monthly usage billing. Since repayment is based on water usage the notes do not have a defined term. An allowance for doubtful accounts is not established as the City can lien the associated property.

Description of notes and leases receivable

Business-type Activities	Purpose of Issue	Amount Issued	Amount Outstanding	Scheduled Payments	Final Payment
Community Builders	Development Corp Building Construction	\$ 410,000	*	*	*
Westminster Commons VOA, LP	Sale of Westminster Commons	2,250,000	** 396,877	annually	2052
Utility Customers	Water System Connection	97,763	84,483	monthly	***
Total Business-Type Activities		<u>\$ 2,757,763</u>	<u>\$ 481,360</u>		

*In accordance with the agreement, this note is forgiven at a rate of 10% per year until extinguished; therefore, no outstanding amount is reflected in the statements.

**The face value of the note is \$2,250,000 with repayment from project cash flows. However, an allowance for doubtful accounts of \$1,853,123 has been established due to projected limited cash flows. A review will be conducted annually to adjust the allowance if necessary.

*** The payment amount is based on water usage not a defined term.

**CITY OF WESTMINSTER, COLORADO
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Notes and Leases Receivable Maturities

Year Ending	Governmental activities				Business-type activities			
	Colorado				Westminster			
	Catellus	Hyland Hills	Rural Housing	Total	Community Builders	Commons VOA, LP	Utility Customers	Total
2015	\$ 194,847	\$ 352,500	\$ 8,148	\$ 555,495	\$ -	\$ 9,720	\$ 46,086	\$ 55,806
2016	-	365,000	8,347	373,347	-	13,678	5,956	19,634
2017	-	375,000	312,889	687,889	-	14,307	6,168	20,475
2018	-	387,500	-	387,500	164,000	14,931	6,387	185,318
2019	-	400,000	-	400,000	-	15,550	6,614	22,164
2020-2024	-	1,782,500	-	1,782,500	-	86,779	13,272	100,051
2025-2029	-	-	-	-	-	101,169	-	101,169
2030-2034	-	-	-	-	-	115,890	-	115,890
2035-2039	-	-	-	-	-	130,740	-	130,740
2040-2044	-	-	-	-	-	145,590	-	145,590
2045-2049	-	-	-	-	-	160,440	-	160,440
2050-2052	-	-	-	-	-	103,392	-	103,392
	194,847	3,662,500	329,384	4,186,731	164,000	912,186	84,483	1,160,669
Net present value/ principal adjustment	-	-	-	-	(164,000)	(515,309)	-	(679,309)
Total	\$ 194,847	\$ 3,662,500	\$ 329,384	\$ 4,186,731	\$ -	\$ 396,877	\$ 84,483	\$ 481,360

D. Interfund Receivables and Payables

The composition of loans from and to other funds as of December 31, 2014, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Westminster Economic Development Authority	\$ 120,000
General Capital Improvement	Westminster Economic Development Authority	1,125,000
Utility Fund	Westminster Economic Development Authority	1,225,000
	Total loans from/to other funds	<u>\$ 2,470,000</u>

The loans of \$2,470,000 to the WEDA Fund were used for the redevelopment and revitalization of the Westminster Plaza Shopping Center and to pay for expenses associated with the redevelopment of an abandoned residential project within the Holly Park Urban Renewal Area. These interfund loans are expected to be repaid in the near term.

An interfund loan is budgeted in the payor fund as either an Other Financing Use in a governmental fund or as a nonoperating expense in a proprietary fund. However, the transaction is reported on the respective fund's balance sheet as either Due From Other Funds for short term borrowings, or as Loans From Other Funds for longer term borrowings. As a result, a budget to actual variance is recognized in the payor fund's budgetary comparison schedule in the year an interfund loan originates.

**CITY OF WESTMINSTER, COLORADO
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E. Capital Assets

Capital Assets at December 31, 2014 were as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental Activities					
Land & Land Rights	\$ 121,682,074	\$ 9,482,657	\$ -	\$ -	\$ 131,164,731
Water Rights	1,000,000	-	-	-	1,000,000
Joint Venture	5,361,000	-	-	-	5,361,000
Construction in progress	2,475,546	15,428,724	(10,678,228)	-	7,226,042
Total nondepreciable assets	130,518,620	24,911,381	(10,678,228)	-	144,751,773
Buildings	90,123,763	-	-	-	90,123,763
Improvements other than buildings	43,551,615	-	313,986	(405,727)	43,459,874
Parks	58,285,509	-	259,487	-	58,544,996
Ice Center	6,972,384	-	-	-	6,972,384
Infrastructure	329,269,011	-	9,410,390	-	338,679,401
Machinery and equipment	43,305,239	1,433,569	420,351	(7,868,594)	37,290,565
Total depreciable assets	571,507,521	1,433,569	10,404,214	(8,274,321)	575,070,983
Less accumulated depreciation for:					
Buildings	(49,037,049)	(2,716,821)	-	-	(51,753,870)
Improvements other than buildings	(22,096,417)	(2,039,041)	-	388,493	(23,746,965)
Parks	(33,501,576)	(2,410,760)	-	-	(35,912,336)
Ice Center	(2,178,870)	(145,258)	-	-	(2,324,128)
Infrastructure	(185,253,882)	(8,765,290)	-	-	(194,019,172)
Machinery and equipment	(31,066,384)	(2,841,466)	-	7,713,693	(26,194,157)
Total accumulated depreciation	(323,134,178)	(18,918,636)	-	8,102,186	(333,950,628)
Net total depreciable assets	248,373,343	(17,485,067)	10,404,214	(172,135)	241,120,355
Governmental activities capital asset	\$ 378,891,963	\$ 7,426,314	\$ (274,014)	\$ (172,135)	\$ 385,872,128

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,265,068
Public safety	2,145,774
Public works	6,573,692
Community development	2,635,299
Culture and Recreation	5,994,034
Unallocated depreciation-Internal Service Funds	304,769
Total depreciation expense	<u>\$ 18,918,636</u>

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Business-type activities:					
Land & Land Rights	\$ 23,079,573	\$ -	\$ -	\$ -	\$ 23,079,573
Water rights	90,951,295	3,027,136	-	-	93,978,431
Construction in progress	9,422,809	14,681,699	(17,689,859)	-	6,414,649
Total nondepreciable assets	123,453,677	17,708,835	(17,689,859)	-	123,472,653
Buildings and plants	238,923,550	-	5,507,335	(550,001)	243,880,884
Improvements other than buildings	200,244,667	602,023	12,397,629	-	213,244,319
Parks	1,590,689	-	-	-	1,590,689
Machinery and equipment	20,700,738	2,028,084	58,909	(2,489,041)	20,298,690
Total depreciable assets	461,459,644	2,630,107	17,963,873	(3,039,042)	479,014,582
Less accumulated depreciation for:					
Buildings and plants	(91,461,334)	(6,279,169)	-	194,053	(97,546,450)
Improvements other than buildings	(75,781,672)	(4,694,963)	-	-	(80,476,635)
Parks	(1,062,174)	(78,049)	-	-	(1,140,223)
Machinery and equipment	(15,863,038)	(1,682,739)	-	2,346,014	(15,199,763)
Total accumulated depreciation	(184,168,218)	(12,734,920)	-	2,540,067	(194,363,071)
Net total depreciable assets	277,291,426	(10,104,813)	17,963,873	(498,975)	284,651,511
Business-type activities capital asset	\$ 400,745,103	\$ 7,604,022	\$ 274,014	\$ (498,975)	\$ 408,124,164

Depreciation expense was charged to business-type functions as follows:

Utility	\$ 12,169,242
Golf	508,498
Westminster Housing Authority	57,180
Total depreciation expense	<u>\$ 12,734,920</u>

During the year ended December 31, 2014, the City recorded \$327,640 of capitalized interest.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

The following is a summary of machinery and equipment purchased by capital lease with a liability outstanding as of December 31, 2014.

	Historical Cost	Accumulated Depreciation	Net Book Value
Governmental Activities	\$ 2,441,703	\$ (1,049,660)	\$ 1,392,043
General Capital Outlay Replacement Fund	3,617,430	(1,065,403)	2,552,027
Golf Course Fund	1,194,283	(157,495)	1,036,788
Total	\$ 7,253,416	\$ (2,272,558)	\$ 4,980,858

F. Disaggregation of Payables

Payables at December 31, 2014, were as follows:

	Accounts Payable	Other	Accrued Liabilities	Accrued Interest	Total Payables
Governmental Funds:					
General	\$ 1,660,065	\$ 5,822,067	\$ 2,176,191	\$ -	\$ 9,658,323
GCIF	2,785,091	757,466	7,258	-	3,549,815
WEDA	1,086,269	56,415	460	-	1,143,144
Nonmajor governmental	57,621	10,787	1,941	1,120	71,469
Subtotal - Governmental Funds	5,589,046	6,646,735	2,185,850	1,120	14,422,751
Reconciliation of balances to government-wide financial statements:					
Long-term liabilities susceptible to full accrual reporting	-	-	23,712	766,373	790,085
Internal service funds	520,697	-	2,130	17,626	540,453
Total - Governmental Activities	\$ 6,109,743	\$ 6,646,735	\$ 2,211,692	\$ 785,119	\$ 15,753,289
Business-type Activities:					
Utilities	\$ 4,324,969	\$ 396,450	\$ 462,533	\$ 99,187	\$ 5,283,139
Nonmajor proprietary	37,829	5,080	60,814	27,293	131,016
Total - Business-type Activities	\$ 4,362,798	\$ 401,530	\$ 523,347	\$ 126,480	\$ 5,414,155

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

G. Interfund Transfers

Transfer activity for the year ended December 31, 2014 was as follows:

TRANSFERS OUT	TRANSFERS IN						Grand Total
	General Fund	General Capital Improvement Fund	Westminster Economic Development Authority	Nonmajor Governmental Funds	Golf Course Fund	Internal Service Funds	
General Fund	\$ -	\$ 8,612,844	\$ 800,000	\$ 3,750,000	\$ -	\$ -	\$ 13,162,844
General Capital Improvement Fund	-	-	-	-	336,000	76,830	412,830
WEDA	582,574	350,000	-	23,926	-	-	956,500
Nonmajor Governmental Funds	62,065	880,449	57,600	3,966,245	243,143	-	5,209,502
Utility Fund	329,463	-	-	24,537	-	-	354,000
Grand Totals	\$ 974,102	\$ 9,843,293	\$ 857,600	\$ 7,764,708	\$ 579,143	\$ 76,830	\$ 20,095,676

The matrix summarizes the City's interfund transfer activity. Most transfers between the General, General Capital Improvement, and Nonmajor Governmental Funds are routinely used to reallocate resources to fund City operations, capital construction, land purchases, debt service and governmental subsidies. In 2014, a transfer of \$800,000 from the General Fund to the Westminster Economic Development Authority transpired to provide funding for the redevelopment of urban renewal areas. Transfer activity between governmental and business-type funds is detailed below:

Reconciliation of Transfers between Governmental and Proprietary Funds:

From the Utility Fund to the General Fund in lieu of taxes	\$ 329,463
From the Utility Fund to the Nonmajor Governmental Fund (Open Space Fund) in lieu of taxes	24,537
From the General Capital Improvement Fund to the Internal Service Fund, unused Capital Project subsidy	(76,830)
From the General Capital Improvement Fund to the Golf Course Fund for operating subsidies	(336,000)
From the Nonmajor Governmental Fund (Open Space Fund) to the Golf Course Fund to assist with debt service obligations	(243,143)
Total transfers between Governmental and Business Type Activities Funds	\$ (301,973)

Reconciliation of Transfers between Governmental and Business-type Activities

Transfers between Governmental and Proprietary Funds	\$ (301,973)
Elimination of internal service fund activities.	76,830
Reassignment of capital asset contributions between governmental and business-type activities	(274,014)
	\$ (499,157)

CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

H. Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, loans, leases and other payable:					
Revenue bonds	\$ 45,330,000	\$ -	\$ (5,480,000)	\$ 39,850,000	\$ 5,835,000
Tax increment bonds and loans	92,049,000	-	(5,310,000)	86,739,000	5,487,000
Notes & Loans	1,612,724	-	-	1,612,724	-
Capital leases	60,912,710	-	(6,187,045)	54,725,665	6,384,350
	<u>199,904,434</u>	<u>-</u>	<u>(16,977,045)</u>	<u>182,927,389</u>	<u>17,706,350</u>
Add:					
Bond premium	5,354,097	-	(645,024)	4,709,073	-
Bond discount	(164,206)	-	14,894	(149,312)	-
	<u>205,094,325</u>	<u>-</u>	<u>(17,607,175)</u>	<u>187,487,150</u>	<u>17,706,350</u>
Other liabilities:					
Compensated absences	5,217,936	7,558,665	(7,416,886)	5,359,715	293,181
OPEB	155,234	149,669	(106,512)	198,391	6,293
Total other liabilities	<u>5,373,170</u>	<u>7,708,334</u>	<u>(7,523,398)</u>	<u>5,558,106</u>	<u>299,474</u>
Governmental activities long-term liabilities	<u>\$ 210,467,495</u>	<u>\$ 7,708,334</u>	<u>\$ (25,130,573)</u>	<u>\$ 193,045,256</u>	<u>\$ 18,005,824</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds, notes and leases payable:					
Revenue bonds	\$ 31,530,000	\$ -	\$ (2,025,000)	\$ 29,505,000	\$ 1,475,000
Notes	20,622,014	-	(2,664,246)	17,957,768	2,754,304
Capital leases	4,429,114	1,101,068	(544,106)	4,986,076	663,703
	<u>56,581,128</u>	<u>1,101,068</u>	<u>(5,233,352)</u>	<u>52,448,844</u>	<u>4,893,007</u>
Add:					
Bond/Notes premium	633,081	-	(100,512)	532,569	-
Bond discount	(42,676)	-	5,350	(37,326)	-
	<u>57,171,533</u>	<u>1,101,068</u>	<u>(5,328,514)</u>	<u>52,944,087</u>	<u>4,893,007</u>
Other liabilities:					
Compensated absences	1,018,450	1,555,126	(1,504,076)	1,069,500	55,928
OPEB	234,155	29,015	(20,649)	242,521	-
Pollution Remediation	78,428	338,375	(78,428)	338,375	45,000
Total other liabilities	<u>1,331,033</u>	<u>1,922,516</u>	<u>(1,603,153)</u>	<u>1,650,396</u>	<u>100,928</u>
Business-type activities long-term liabilities	<u>\$ 58,502,566</u>	<u>\$ 3,023,584</u>	<u>\$ (6,931,667)</u>	<u>\$ 54,594,483</u>	<u>\$ 4,993,935</u>

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Long-term liability outstanding at December 31, 2014 was as follows:

Revenue Bonds	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
Sales and Use Tax Refunding Series 2001	Refunding/112th Ave Improvements	\$ 13,275,000	\$ 1,315,000	4.5-5.0%	12/01/21
Sales and Use Tax Revenue Series 2007A	Refunding/Street Improvements	10,715,000	2,960,000	4.25% - 5.5%	12/01/16
Sales and Use Tax POST Series 2007B	Refunding/Open Space Purchases	13,680,000	3,605,000	5.0% - 5.5%	12/01/16
Sales and Use Tax Refunding Series 2007C	Refunding/Street Improvements	10,910,000	3,030,000	5.0% - 5.25%	12/01/16
Sales and Use Tax POST Series 2007D	Open Space Purchases/Facility Improvements	20,000,000	20,000,000	4.0% - 5.0%	12/01/31
Sales and Use Tax Refunding Series 2010	Refunding/Street Improvements	10,545,000	8,940,000	2.5% - 5.0%	12/01/22
Total Governmental Activities			<u>39,850,000</u>		
Water/Wastewater Revenue Series 2010	Build America Bonds	29,505,000	29,505,000	3.232% - 5.818%	12/01/30
Total Business-type Activities			<u>29,505,000</u>		
Total Revenue bonds			<u>\$ 69,355,000</u>		

Annual debt service requirements to maturity for revenue bonds are as follows:

Governmental Activities				Business-type Activities			
Year	Principal	Interest	Total	Year	Principal	Interest	Total
2015	\$ 5,835,000	\$ 1,864,233	\$ 7,699,233	2015	\$ 1,475,000	\$ 1,477,884	\$ 2,952,884
2016	6,105,000	1,582,208	7,687,208	2016	1,505,000	1,430,212	2,935,212
2017	2,185,000	1,305,463	3,490,463	2017	1,540,000	1,374,602	2,914,602
2018	2,275,000	1,226,713	3,501,713	2018	1,580,000	1,313,079	2,893,079
2019	2,375,000	1,120,463	3,495,463	2019	1,625,000	1,244,918	2,869,918
2020-2024	10,025,000	3,919,800	13,944,800	2020-2024	8,910,000	5,027,905	13,937,905
2025-2029	7,520,000	1,942,288	9,462,288	2025-2029	10,525,000	2,550,302	13,075,302
2030-2031	3,530,000	253,413	3,783,413	2030	2,345,000	136,432	2,481,432
Total	<u>\$ 39,850,000</u>	<u>\$ 13,214,581</u>	<u>\$ 53,064,581</u>	Total	<u>\$ 29,505,000</u>	<u>\$ 14,555,334</u>	<u>\$ 44,060,334</u>

Tax Increment Bonds and Loans

Outstanding	Purpose of Issue	Amount Issued	Amount Outstanding	Coupon Interest Rate	Final Maturity
WEDA Revenue Refunding Bonds Series 2009	Westminster Plaza Redevelopment	\$ 5,330,000	\$ 2,075,000	3.800%	12/01/17
WEDA Revenue Refunding Bonds Series 2012	Mandalay Gardens Urban Renewal	28,900,000	24,960,000	2.0%-5.0%	12/01/28
Total Tax Increment Bonds			<u>27,035,000</u>		
WEDA Revenue Loan Series 2012	North Huron Urban Renewal	59,000,000	53,279,000	3.510%	12/01/28
WEDA Revenue Loan Series 2012	South Sheridan Urban Renewal	7,420,000	6,425,000	(1)	12/01/28
Total Tax Increment Loans			<u>59,704,000</u>		
Total Governmental Activities			<u>\$ 86,739,000</u>		

Annual debt service requirements to maturity for tax increment bonds and loans are as follows:

Governmental Activities			
Year	Principal	Interest	Total
2015	\$ 5,487,000	\$ 3,017,916	\$ 8,504,916
2016	5,683,000	2,833,685	8,516,685
2017	5,857,000	2,693,773	8,550,773
2018	5,285,000	2,486,334	7,771,334
2019	5,473,000	2,301,063	7,774,063
2020-2024	30,267,000	8,610,569	38,877,569
2025-2028	28,687,000	2,722,998	31,409,998
Total	<u>\$ 86,739,000</u>	<u>\$ 24,666,338</u>	<u>\$ 111,405,338</u>

(1) The 2012 WEDA South Sheridan Loan has a fixed interest rate for the first 5 years of the loan at 2.8%. Subsequent years' interest is variable based on 70% of applicable LIBOR rate based on period selected plus 2.25%.

CITY OF WESTMINSTER, COLORADO
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Capital Leases ⁽²⁾	Purpose of Issue	Amount		Interest Rate	Final Maturity
		Issued	Outstanding		
Capital lease	12 Energy Saving Equipment (05 refinance)	\$ 2,262,993	\$ 435,851	1.39%	10/15/16
Capital lease	12 Fire truck (08 refinance)	603,450	23,078	1.39%	01/15/15
Capital lease	12 Pumper Truck (08 refinance)	216,475	31,666	1.39%	10/15/15
Capital lease	12 Heavy Rescue Truck (10 refinance)	274,999	107,910	1.39%	01/31/17
Capital lease	12 Pumper Truck (10 refinance)	451,416	192,797	1.39%	10/15/17
Capital lease	10 Energy Saving Equipment	2,517,094	1,750,167	4.100%	04/01/21
Capital lease	11 Fire Ladder	683,383	403,062	2.18%	10/15/17
Capital lease	13 Fire Pumper	435,393	371,134	1.95%	01/15/20
Capital lease - Certificates of Participation 05	144th & I-25 Interchange	17,130,000	835,000	4.25%	12/01/15
Capital lease - Broomfield/Westminster Foundation	Metzger Farm Open Space	4,920,000	1,060,000	4.25% - 4.3%	12/01/16
Capital lease - Certificates of Participation 07	Refunding/Capital Facilities & Streets	32,210,000	21,190,000	4.0% - 5.0%	12/01/25
Capital lease - Certificates of Participation 10	Refunding/Public Safety & Golf Course Revenue	12,825,000	10,100,000	3.0% - 4.25%	12/01/22
Capital lease - Certificates of Participation 10	Ice Centre Refunding	9,950,000	7,325,000	3.0% - 4.5%	12/01/22
Capital lease - Certificates of Participation 13	144th & I-25 Interchange Refunding	11,095,000	10,900,000	2.0% - 4.0%	12/01/25
Total Governmental Activities			<u>54,725,665</u>		
Golf Course capital lease	13 Golf Cart Joint Lease	484,283	308,188	2.40%	04/15/14
Golf Course capital lease	14 Golf Equipment Joint Lease	1,101,068	907,888	2.30%	01/15/19
Capital lease - Certificates of Participation 10	Refunding/Public Safety & Golf Course Revenue	4,820,000	3,770,000	3.0% - 4.25%	12/01/22
Total Business-type Activities			<u>4,986,076</u>		
Total Capital Leases			<u>\$ 59,711,741</u>		

(2) Specific assets are pledged as collateral for all capital leases.

Annual debt service requirements to maturity for capital leases are as follows:

Year	Governmental Activities			Year	Business-type Activities		
	Principal	Interest	Total		Principal	Interest	Total
2015	\$ 6,384,350	\$ 2,138,865	\$ 8,523,215	2015	\$ 663,703	\$ 153,607	\$ 817,310
2016	6,557,307	1,908,516	8,465,823	2016	675,384	140,976	816,360
2017	5,999,219	1,654,589	7,653,808	2017	633,562	119,108	752,670
2018	6,117,730	1,412,354	7,530,084	2018	589,591	98,789	688,380
2019	6,261,173	1,182,225	7,443,398	2019	608,836	82,393	691,229
2020-2024	20,615,886	2,812,533	23,428,419	2020-2022	1,815,000	173,013	1,988,013
2025	2,790,000	113,513	2,903,513	Total	\$ 4,986,076	\$ 767,886	\$ 5,753,962
Total	<u>\$ 54,725,665</u>	<u>\$ 11,222,595</u>	<u>\$ 65,948,260</u>				

Notes & Loans

Notes & Loans	Purpose of Issue	Amount		Coupon Interest Rate	Final Maturity
		Issued	Outstanding		
Note	12 CHF Shoenberg Farm Note	\$ 112,724	\$ 112,724	3.00%	01/01/17
Loan	12 Section 108 HUD Loan	1,500,000	1,500,000	(3)	08/01/32
Total Governmental Activities			<u>1,612,724</u>		
Colorado Water Power Authority Note 97	Reclamation Facility	13,246,525	2,812,907	4.54%	06/01/17
Colorado Water Power Authority Note 98	Reclamation Facility	4,085,697	686,332	3.96%	06/01/17
Colorado Water Power Authority Note 00	North west Water Treatment Plant	14,998,357	5,128,155	4.40%	06/01/20
Colorado Water Power Authority Note 05	Big Dry Creek Wastewater Treatment Plant	15,440,000	9,210,000	3.32%	06/01/25
Rehfeld Note	Purchase of water shares	180,000	120,374	4.00%	03/31/23
Total Business-type Activities			<u>17,957,768</u>		
Total Notes and Loans			<u>\$ 19,570,492</u>		

Annual debt service requirements to maturity for notes are as follows:

Year	Governmental Activities			Year	Business-type Activities		
	Principal	Interest	Total		Principal	Interest	Total
2015	\$ -	\$ 13,210	\$ 13,210	2015	\$ 2,754,304	\$ 832,091	\$ 3,586,395
2016	-	13,210	13,210	2016	2,886,621	704,612	3,591,233
2017	112,724	11,519	124,243	2017	2,881,314	577,920	3,459,234
2018	-	9,828	9,828	2018	1,789,029	462,290	2,251,319
2019	-	9,828	9,828	2019	1,875,017	372,104	2,247,121
2020-2024	-	49,140	49,140	2020-2024	5,246,483	981,361	6,227,844
2025-2029	600,000	43,242	643,242	2025	525,000	36,138	561,138
2030-2032	900,000	5,897	905,897	Total	\$ 17,957,768	\$ 3,966,516	\$ 21,924,284
Total	<u>\$ 1,612,724</u>	<u>\$ 155,874</u>	<u>\$ 1,768,598</u>				

(3) The 2012 Section 108 Housing and Urban Development Loan has variable interest based on 3 month LIBOR plus 0.20% as of the reset date. As of 12/31/2014 the total rate paid was 0.6552%. The Community Development Block Grant allocation is pledged as security for repayment of this note in the event of a default on the note.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

I. Net Position

The government-wide and business-type financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. **Net Investment in Capital Assets** is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. **Restricted Net Position** is liquid assets which have third-party limitations on their use. Restricted net position is reported by major category, which includes emergencies; capital projects; open space conservation and improvements; and debt service. Nonmajor categories have been aggregated as restricted for other purposes. **Unrestricted Net Position** represents assets that do not have any third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted authority to revisit or alter these managerial decisions. Net Investment in Capital Assets at December 31, 2014 was as follows:

Governmental activities:

Capital Assets: \$ 385,872,128

Related Debt:

Issue	Amount Outstanding	Premiums/ (Discounts/Def Loss)	Total Capital Related Debt	Less		Net Capital Related Debt
				Unspent Proceeds		
Sales and Use Tax Refunding Series 2001	\$ 1,315,000	\$ (2,640)	\$ 1,312,360	\$ -	\$ -	\$ 1,312,360
Sales and Use Tax Revenue Series 2007A	2,960,000	22,061	2,982,061	-	-	2,982,061
Sales and Use Tax POST Series 2007B	3,605,000	40,707	3,645,707	-	-	3,645,707
Sales and Use Tax Refunding Series 2007C	3,030,000	(9,060)	3,020,940	-	-	3,020,940
Sales and Use Tax POST Series 2007D	20,000,000	292,165	20,292,165	-	-	20,292,165
Sales and Use Tax Refunding Series 2010	8,940,000	187,923	9,127,923	-	-	9,127,923
Sales and Use Tax Refunding Series 2010 "B interest coupons"	-	(4,219)	(4,219)	-	-	(4,219)
WEDA Revenue Refunding Bonds Series 2012 (Mandalay Gardens)	24,960,000	701,554	25,661,554	-	-	25,661,554
WEDA Revenue Loan Series 2012 (North Huron)	53,279,000	(1,782,544)	51,496,456	289,248	-	51,207,208
WEDA Revenue Loan Series 2012 (South Sheridan)	6,425,000	(199,863)	6,225,137	-	-	6,225,137
Notes, Loans & Capital Lease	56,338,389	(734,297)	55,604,092	10,433	-	55,593,659
Accounts payable incurred for capital asset purchases	3,703,876	-	3,703,876	-	-	3,703,876
Total Governmental Activities *	\$ 184,556,265	\$ (1,488,213)	\$ 183,068,052	\$ 299,681		182,768,371

Net investment in capital assets, governmental activities

203,103,757

Business-type activities:

Capital Assets: 408,124,164

Related Debt:

Issue	Amount Outstanding	Premiums/ (Discounts/Def Loss)	Total Capital Related Debt	Less		Net Capital Related Debt
				Unspent Proceeds		
Water/Wastewater Revenue Series 2010	\$ 29,505,000	\$ -	\$ 29,505,000	\$ 1,476,886	\$ -	\$ 28,028,114
Certificates of Participation 10 (Golf Course Portion)	3,770,000	41,027	3,811,027	-	-	3,811,027
Water Notes	17,957,768	416,664	18,374,432	-	-	18,374,432
Capital Leases	1,216,076	-	1,216,076	-	-	1,216,076
Accounts payable incurred for capital asset purchases	3,195,861	-	3,195,861	-	-	3,195,861
Total Business Type Activities	\$ 55,644,705	\$ 457,691	\$ 56,102,396	\$ 1,476,886		54,625,510

Net investment in capital assets, business-type activities

353,498,654

Total net investment in capital assets

\$ 556,602,411

* The 2009 WEDA debt was not used for capital purposes and therefore is not included in the calculation of net investment in capital assets, governmental activities.

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J. Pledged Revenues

The City has pledged a portion of future sales and use tax and property tax revenues to repay sales and use tax revenue bonds as follows:

- \$13,275,000 issued in 2001 to refund the Series 1991 refunding and improvement bonds originally issued to finance capital improvements.
- \$10,715,000 issued in March 2007 to provide new funding for street improvements and to refund certain of the City's outstanding Series 1997A sales and use tax revenue refunding and improvement bonds, originally issued to refund certain outstanding 1992A sales and use tax revenue bonds, originally issued for capital improvements.
- \$13,680,000 issued in March 2007 to refund certain of the City's outstanding series 1997B sales and use tax revenue bonds originally issued for public improvements.
- \$10,910,000 issued in October 2007 to provide new funding for street improvements and to refund certain of the City's outstanding Series 1997A sales and use tax revenue refunding and improvement bonds.
- \$20,000,000 issued in December 2007 to finance the acquisition, development, enhancement, and maintenance of open space and parkland throughout the City.
- \$10,545,000 issued in July 2010 to refund certain of the City's outstanding series 2001 and 2002 sales and use tax revenue refunding and improvement bonds, originally issued to finance capital improvements.

These bonds are payable solely from sales and use tax revenue collections. Current year, principal and interest of \$7,587,664 were paid from sales and use tax revenue totaling \$69,068,621. Total principal and interest payments remaining on the bonds is \$53,064,581 payable through December 2031.

The Westminster Economic Development Authority has pledged a portion of future sales and property tax revenues to repay tax increment revenue refunding bonds and loans, as follows:

- \$5,330,000 issued in 2009 as tax increment revenue refunding bonds to refund the Series 1997 used to finance the redevelopment in the South Westminster Urban Renewal Area.
- \$28,900,000 issued in 2012 as tax increment revenue refunding bonds to refund the Series 2009 tax increment adjustable rate revenue refunding bonds that refunded an earlier Series used to finance redevelopment in the Mandalay Gardens Urban Renewal Area.
- \$59,000,000 issued in 2012 to refinance the 2009 loan that refunded the Series 2005 tax increment adjustable rate revenue bonds used to finance new development in the North Huron Urban Renewal Area.
- \$7,420,000 issued in 2012 to refinance the 2009 loan that refinanced the Series 2007 tax increment adjustable rate revenue bonds used to finance redevelopment in the South Sheridan Urban Renewal Area.

Tax increment revenue bonds and loans are payable from incremental sales taxes and property taxes generated by increases above the base value of retail sales and assessed valuation in the urban renewal area plus interest earnings. Principal, interest and fees of \$8,508,655 reported in the WEDA statements were paid using incremental net pledged revenues plus prior year revenues of \$9,272,706. Total principal and interest remaining on the bonds and loans is \$111,405,338, payable through December 2028.

The Utility Enterprise has pledged future water and waste water revenues, excluding any special assessments and net of specified operating expenses, to repay:

Colorado Water Resource and Power Development Authority Notes:

- \$13,246,525 issued in May 1997 to construct a Reclamation Facility
- \$4,085,697 issued in April 1998 to construct a Reclamation Facility
- \$14,998,357 issued in April 2000 to construct the Northwest Water Treatment Facility
- \$15,440,000 issued in May 2005 to expand the Big Dry Creek Treatment Facility

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Revenue Bonds:

- \$20,990,000 issued in December 2001 to refund 1992 and 1994 General Obligation bonds, paid off in the current year
- \$29,505,000 issued in May 2010 to acquire and develop improvements to the System throughout the City

The notes and bonds are payable solely from water and waste water pledged net revenues. For the current year, principal and interest payments were \$7,187,919 and total water and waste water net revenues were \$23,509,423. Total principal and interest payments remaining on the bonds and notes are \$65,838,913 payable through December 2030.

K. Moral Obligation Pledge

The City has entered into moral obligations with the following WEDA borrowings: Revenue Refunding Bonds Series 2012 (Mandalay Gardens Urban Renewal), Revenue Loan Series 2012 (North Huron), and Revenue Loan Series 2012 (South Sheridan) with an aggregate balance of \$84,664,000 outstanding as of December 31, 2014. A moral obligation is a pledge by the City Manager to request of Council that the City replenish the Reserve Fund associated with this debt to the minimum required per the bond indenture or loan document should it become necessary. Council will consider, but is not obligated to fulfill this request.

L. Defeased Debt

As of December 31, 2014 the amount of defeased debt outstanding is \$11,026,000.

M. Disaggregation of Deferred Outflows/Inflows of Resources

Deferred flow of resources as of December 31, 2014

<u>Deferred Outflows of Resources</u>	<u>Charges on refunding debt</u>				
Governmental Fund Activities:	\$ -				
Reconciliation of balances in fund financial statements to government-wide financial statements	6,094,210				
Total - Governmental Activities	<u>\$ 6,094,210</u>				
Business-type Activities:					
Golf Course	37,551				
Total - Business-type Activities:	<u>\$ 37,551</u>				
Total Government-wide Activities	<u>\$ 6,131,761</u>				
<u>Deferred Inflows of Resources</u>	<u>Property taxes</u>	<u>Grants</u>	<u>Assessments</u>	<u>Other</u>	<u>Total</u>
Governmental Fund Activities:					
General	\$ 4,302,939	\$ 10,469	\$ -	\$ 4,508,499	\$ 8,821,907
GCIF	-	10,706	194,847	-	205,553
WEDA	9,079,243	-	-	329,384	9,408,627
Other Governmental	233,243	6,691	-	-	239,934
Subtotal	<u>13,615,425</u>	<u>27,866</u>	<u>194,847</u>	<u>4,837,883</u>	<u>18,676,021</u>
Reconciliation of balances in fund financial statements to government-wide financial statements	-	(27,866)	-	(4,837,883)	(4,865,749)
Total - Governmental Activities	<u>\$ 13,615,425</u>	<u>\$ -</u>	<u>\$ 194,847</u>	<u>\$ -</u>	<u>\$ 13,810,272</u>

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NOTE 3 - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; employee injury on the job; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the City carries excess insurance. The City self-funds the deductible portion of all claims. There were no reductions in insurance coverage from 2013 to 2014. The City has not had any settlements during the last three fiscal years that exceeded insurance coverage.

Medical and Dental Self-Insurance Internal Service Fund

The City established a dental plan effective January 1, 1984. The purpose of this plan is to pay the dental claims of eligible City employees and their covered dependents.

The City has an Administrative Service Only plan with Cigna, whereby the City pays Cigna a separate amount for administrative costs, insurance taxes, and claim servicing fees. The City agrees to provide funding for the payment of claims. At the end of the year, the City retains any money not spent on claims. The City provides a specific stop loss of \$150,000 per individual per year. This Open Access Plus plan has an unlimited lifetime benefit. The City has recorded a liability in this fund totaling \$628,547 for open and estimated claims not yet reported at December 31, 2014.

The City also offers a fully insured HMO plan through Kaiser Permanente which has unlimited lifetime benefits.

Workers' Compensation Self-Insurance Internal Service Fund

The City established a self-insured program for workers' compensation claims effective January 1, 1986. The purpose of this program is to pay workers' compensation claims of City employees and to reduce total annual workers' compensation costs to the City. As of April 1, 2013, the program covers individual losses up to \$500,000 per claim. Greater individual losses are covered by an excess insurance policy with statutory limits per occurrence purchased from an outside company. The City has recorded a liability totaling \$172,141 for open claims and estimated claims not yet reported at December 31, 2014.

Property and Liability Self-Insurance Internal Service Fund

The City established a program for property and liability claims effective January 1, 1988. The purpose of this program is to pay property and liability claims against the City and to reduce total annual insurance coverage cost to the City. The program covers individual losses up to \$250,000 per claim. Greater individual losses are covered through a risk sharing pool for Colorado municipalities. Property losses are insured through the pool for the total insured value of all property owned by the city up to a maximum shared pool total of \$500,500,000. State liability losses are limited as set forth by statutory liability limits for Colorado public jurisdictions up to \$150,000 per person and \$600,000 per occurrence for claims occurring prior to June 30, 2013. Effective July 1, 2013, the Colorado state legislature increased the limits to \$350,000 per person and \$999,000 per occurrence. Through the pool, the City also carries excess liability coverage that covers the City for federal acts and out-of-state claims in excess of the self-insured deductible limits. In addition to property insurance including boiler and machinery, the program covers automobile liability, general liability, police professional, errors and omissions, crime and fiduciary liability.

Liabilities are reported when a claim is made against the City. The City has recorded a liability totaling \$316,453 for open claims at December 31, 2014.

Changes in the balances of claim liabilities for all plans follow:

Year	Beginning Balance		Incurred Claims	Cumulative Claim Payments	Ending Balance	
	Unpaid Claims				Unpaid Claims	
2013	\$ 955,023	\$	8,144,468	\$ 8,160,100	\$	939,391
2014	939,391		8,029,357	7,851,607		1,117,141

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B. Public Entity Risk Pools

The Colorado Intergovernmental Risk Sharing Agency ("CIRSA") was formed by an intergovernmental agreement by member municipalities pursuant to the provisions of regulation 24-10-115.5, C.R.S. (1982 Repl. Vol.), as amended, 29-1-201 et seq., C.R.S. (1977 Repl. Vol.), as amended, 29-13-102, C.R.S. (1977 Repl. Vol.), as amended, and Colorado Constitution, Article XIV, Section 18(2). Membership is restricted to Colorado municipalities, which are members of the Colorado Municipal League. The City only participates in the property and liability coverage of the pool and does not participate in the worker's compensation coverage. As of December 31, 2014, there were 250 member municipalities and 36 Affiliated Public Entities, including the City of Westminster, in the property and casualty pool.

The purpose of CIRSA is to provide members defined liability and property coverage and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers. CIRSA provides insurance coverage for property, liability, fiduciary, crime, police professional, and errors and omissions. The deductible amount paid by the City per each incident in 2014 was \$250,000 for property and \$250,000 for liability. Coverages are as follows:

- 1) Property/excess property: total insured value for City property up to the \$500,500,000 pool limit.
- 2) General liability (claims subject to the Governmental Immunity Act): to \$150,000 per person and \$600,000 per occurrence prior to June 30, 2013 then \$350,000 per person and \$999,000 per occurrence. (Claims not subject to Governmental Immunity Act up to \$5,000,000 limit)
- 3) Auto liability (claims not subject to the Governmental Immunity Act): to \$1,500,000 per occurrence.
- 4) Excess law enforcement liability and public officials' errors and omissions liability coverage to \$5,000,000.
- 5) Crime: to \$150,000 any one claim and annual aggregate.
- 6) Supplemental defense costs (claims subject to the Governmental Immunity Act): to \$50,000 per claim/occurrence.
- 7) Excess crime to \$2,000,000 any one claim and annual aggregate.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available from insurance providers and under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs although it is not legally required to do so.

It is the intent of the members of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by the members to indemnify, in accordance with the Bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA are dedicated to the exclusive benefit of its members. The Bylaws constitute the substance of the intergovernmental contract among the members. Continued membership in CIRSA must be periodically approved by the City Council. The Board of Directors, which is elected by the membership for four-year terms, governs CIRSA. All actions of the membership require a two-thirds vote of the members present at a meeting.

C. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

City Council and the WEDA Board have approved Economic Development Assistance packages as part of an active Economic Development program. As a result of these packages, the City will rebate certain future incremental revenues as outlined in the agreements.

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Various suits and claims are pending against the City as of December 31, 2014. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes that adequate insurance coverage exists and that the final settlements of these matters will not materially affect the financial statements of the City.

D. Construction and Other Significant Commitments

At December 31, 2014, the City had commitments for the acquisition and construction of various major capital projects and facilities in the capital projects and enterprise funds as shown below.

Funding of these future expenditures for the capital projects funds has been provided for through investment earnings; operating transfers from the General; Sales & Use Tax; Parks, Open Space & Trails Sales & Use Tax; Conservation Trust funds; sales and use tax revenue bond proceeds; tax increment variable rate bond proceeds; Community Development Block Grants and Section 108 Loan Guarantee proceeds, and various other grants.

Funding of these future expenditures in the Utility Fund has been provided for through water and wastewater rates and tap fees, as well as bond proceeds. Funding for future expenditures in the General Capital Outlay Replacement Fund are provided for through charges for services and periodic transfers from the General and Sales and Use Tax funds.

	Appropriation 12/31/2014	Cumulative Expenditures 12/31/2014	Authorized Available 12/31/2014
Governmental activities:			
General Capital Improvement Fund	\$ 45,219,131	\$ 6,562,128	\$ 38,657,003
Westminster Economic Development Authority	1,715,806	521,607	1,194,199
Nonmajor Governmental activities	2,798,352	142,308	2,656,044
General Capital Outlay Replacement Fund	3,659,332	-	3,659,332
Total Governmental activities	<u>\$ 53,392,621</u>	<u>\$ 7,226,043</u>	<u>\$ 46,166,578</u>
Business-type activities			
Utility Fund	\$ 54,505,618	\$ 6,321,524	\$ 48,184,094
Nonmajor Business-type activities	371,847	-	371,847
Total Business-type activities	<u>\$ 54,877,465</u>	<u>\$ 6,321,524</u>	<u>\$ 48,555,941</u>

E. Denver Water Board Raw Water Leases

The City has the right to perpetually purchase up to 4,500 acre-feet of Moffat Collection System raw water annually from the Denver Water Board. Permitted usage varies from month-to-month and peaks during the summer months. By contract the City is obligated to take or pay for 1,750 acre-feet of water during Denver's fiscal year, which runs from July 1 to June 30. The 2014 rate charged by the Denver Water Board was \$0.91 per thousand gallons, or \$296.52 per acre-foot (there are 325,851 gallons in one acre-foot). The 2014 calendar year cost for the lease based on this rate was \$518,910. The entire 1,750 acre-feet were not taken as of December 31, 2014, but they may be taken before June 30, 2015. Approximately 666 acre-feet were taken in 2014, thus, the bill for calendar year 2014 for the lease was \$197,485.

F. Perpetual Agreement

In December 2003, the City amended its perpetual water rights lease exchange contract dated January 7, 1982 with the City of Thornton. The amended contract provided that Westminster could perpetually lease from Thornton 2.0 million gallons per day of treated water with the option to increase or decrease this amount by 10%. The rate on January 1, 2014, was \$3.48 per thousand gallons. At that rate, the annual cost of the lease of 2.0 million gallons was \$2,540,400. In 2009, the City of Westminster signed an agreement with the City of Brighton that states Brighton will take the full amount of water, up to 2.2 million gallons, and pay the City of Westminster, which will pass the

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payment on to Thornton. All future rate increases will be passed through in a similar fashion, and Brighton will have all responsibility for the lease.

G. Employee Retirement Plans

Plan Description The City provides pension benefits, through two defined contribution 401A pension plans, for all of its regular full-time employees and part-time employees who work at least 20 hours per week and are over age 18. The Police Plan includes Police Officers. The General Employee Plan includes all other employees.

Both employee plans are established by separate ordinances as single-employer, defined contribution plans, qualified under IRS guidelines. When employees change job status, their pension balance is moved from their old plan to the appropriate new plan through a transfer. The City does not participate in Social Security. Long-term disability and death benefits are provided as employee benefits apart from the Pension Plans.

The Plan provisions and requirements are established by Municipal Ordinance and determined to be a qualified Pension Plan by the Internal Revenue Service. The Plan Ordinance grants the Pension Board members and Trustee the authority to administer, interpret, and apply the requirements of the Plan document. Any changes to the Plan Document are subject to City Council approval and require Internal Revenue Service determination of qualification.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Earnings differ between participants in Westminster's plans because investments are self-directed; from eligible options, participants choose where to invest contributions to their account. Investment options are selected by the pension boards.

Eligible employees hired on or after January 6, 1986 must participate from the date of employment. Employees hired before that date were given the option to begin participation on January 6, 1986 or wait until they had completed 22 months of service with the City. Before January 6, 1986, employees could not participate until completing 22 months of service, at which time participation was mandatory.

Contributions and plan provisions of the two plans are the same. The mandatory employee contribution is 10% of base pay. Employees may elect to contribute in excess of the mandatory contribution. Voluntary contributions may be made on an after tax basis. The City contributes 10.25% of each employee's base pay beginning when the employee has completed 22 months of service with the City. The City has no other obligations to fund any employee pension plan.

All contributions and earnings are fully vested at all times. All administrative costs of the plans are borne by the participants of each plan. Administrative costs and fees charged by fund managers, are netted against earnings and allocated to the two plans based on either the dollars in the plan or the number of participants in the plan, depending on the type of expense.

No plan administration is performed by the City of Westminster other than transmitting contributions to the identified employee accounts. The Charles Schwab Corporation provides administration for the plans and assists employees with their self-directed investments.

Summary of Contributions For the year ended December 31, 2014, contributions actually made to the two plans equaled required contributions and were as follows:

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Required contributions to the two plans, and contributions actually made were as follows:

	2012	2013	2014
Police Pension Plan			
City Contributions at 10.25%	\$ 1,259,875	\$ 1,335,400	\$ 1,277,787
Mandatory employee contributions at 10%	1,295,783	1,326,929	1,310,196
Voluntary employee contributions up to 10%	11,324	11,581	9,022
Rollover contribution	-	-	86,786
General Pension Plan			
City contributions at 10.25%	3,188,218	3,199,617	3,169,526
Mandatory employee contributions at 10%	3,426,770	3,491,953	3,584,135
Voluntary employee contributions up to 10%	65,472	63,146	58,984
Rollover contribution	137,147	83,408	120,508
Total	\$ 9,384,589	\$ 9,512,034	\$ 9,616,944

H. Deferred Compensation Plans

Employees may voluntarily participate in the 457(b) Deferred Compensation Plan. The plan permits participants to defer a portion of their salary until future years or contribute on an after-tax basis. A wide array of core investment options is available through the plan. The plan uses a third-party administrator, Empower Retirement, and all costs of administration are borne by the plan participants. The Deferred Compensation Committee is responsible for the formation, adoption, and enforcement of the rules and regulations pertinent to the operation of the plan. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

All seasonal, temporary, and non-benefited employees must participate from the date of employment in the 457(b) FICA Alternative Deferred Compensation Plan. This plan is a Social Security replacement feature under the Internal Revenue Code Section 3121. Employees contribute a mandatory 7.5% of compensation that is invested into a fixed income account. No other investment options are available in this plan.

Contributions into the 457(b) plans are funded by member contributions of up to a maximum limit set by the IRS (\$17,500 for the calendar years 2014 and 2013). Catch-up contributions up to \$5,500 for the calendar year 2014 and 2013 were allowed for participants who had attained age 50 before the close of the plan, subject to the limitation of IRC §414(v). Total contributions into the 457(b) Deferred Compensation Plan were \$2,822,939 and \$249,559 into the 457(b) FICA Alternative Deferred Compensation Plan. The City matches up to 12.5% for City Council members only. City Council is required to contribute at least 7.5%.

I. State Fire and Police Pension Plan (FPPA Defined Benefit Plan)

Effective September 1, 2004, the City of Westminster began contributing to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time, paid firefighters of the City of Westminster are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The contribution requirements of plan members and the City of Westminster are established by statute. The contribution rate for the last three years to the Statewide Defined Benefit Plan for active plan members was either 8% or 10% of covered salary depending on date of hire, and for the employer was either 8% or 10% of covered salary, again depending on date of hire.

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The City of Westminster's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2014, 2013, 2012, were \$1,791,133, \$1,780,720, and \$1,671,590, respectively, equal to the required contributions for each year. The following exhibit shows a detailed history of actual contributions made to the plan:

State Fire and Police Pension Plan Contribution Summary

Description	2012	2013	2014	Total
Employee Contribution 10%	\$ 556,206	\$ 574,760	\$ 556,485	\$ 1,687,451
Employee Contribution 8%	269,833	307,629	329,451	906,913
Employee Drop Program 10% *	19,512	15,942	19,260	54,714
Employer Contribution 10%	556,206	574,760	556,486	1,687,452
Employer Contribution 8%	269,833	307,629	329,451	906,913
Total	\$ 1,671,590	\$ 1,780,720	\$ 1,791,133	\$ 5,243,443

*The FPPA Deferred Retirement Option Plan (DROP) is part of the Statewide Defined Benefit Plan designed for members who are eligible to retire, but instead choose to continue employment for a specified period of time not to exceed five years. The City has no liability to match DROP program employee contributions.

Prior to 1997, the State of Colorado made a one-time contribution to fund future service costs for all firefighters hired prior to January 1, 1997. These members do not make contributions to the Statewide Death and Disability Plan. Aggregate contributions totaling 2.6% of payroll were made to the Statewide Death and Disability Plan in 2011 for firefighters hired on or after January 1, 1997, of which 1.8% and 0.8% were funded by the City and plan members, respectively through October 31, 2011. Beginning November 1, 2011, the contribution of 2.6% changed, so that 1.02% and 1.58% were funded by the City and plan members, respectively. The contribution rate may vary from year to year, depending on actuarial experience.

J. Volunteer Firefighter Pension Fund

The City has fiduciary responsibility for an agent multiple-employer defined benefit retirement system ("the plan") established by the Volunteers.

Plan Description and Contribution Information

At December 31, 2014, membership in the plan consisted of:

Retirees and beneficiaries receiving benefits	29
Terminated Volunteers entitled to benefits but not receiving benefits	0
Active plan members	0
Total	<u><u>29</u></u>

Plan Description. The plan provides retirement benefits as well as death and disability benefits. Participants become fully vested after 20 years of active service. Retirement benefits are payable upon vesting for any volunteer who terminates after 10 years but prior to 20 years of active service allowed by State Statutes. The benefit is equal to the full retirement benefit at the date of termination prorated by the number of years of service accrued. Surviving spouses of deceased retirees may receive up to 50% of the retirement benefit until remarriage.

Volunteers may retire upon completion of 20 years of service even though not all of the service was earned in the same fire department. If they first became volunteers prior to June 2, 1977, the retirement benefit is paid from the pension fund of each department for which they served at least five years. The amount paid is equal to 1/20 of the monthly retirement benefit being paid by that department at the date of termination from the department for each year of service with that department.

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Contributions. An actuarial study performed on January 1, 2013, states that the current level of assets in the fund are in excess of the amount needed to pay the capped maximum of \$700 per month and all prorated amounts by \$687,011, recorded as an Other Asset on the Statement of Net Position. Therefore, no additional contributions are required at this time by the City. State statutes govern contribution requirements. For 2014, the City's annual pension cost of \$0 for the Volunteer Firefighter Pension Plan was equal to the City's required and actual contributions. The required contribution was determined as part of the 2013 actuarial valuation using the entry age actuarial cost method. The following exhibit shows a history of Annual Required Contributions (ARC) and Actual Contributions made to the plan:

Year Ended 31-Dec	Required Contribution	Actual Contribution	Percentage Contributed
2012	-	-	100%
2013	-	-	100%
2014	-	-	100%

Funding for the plan was provided through a property tax levy prior to 1987. The levy was eliminated in 1987 because the plan was over-funded. Since Volunteers do not contribute to the plan, no plan assets are distributed if a volunteer is terminated prior to vesting.

Current Status of the Plan. All volunteer firefighters have retired. After the last volunteer firefighter retired, the volunteer firefighter program was dissolved by the City Council as required by state law. As required by Colorado State Law, prior to dissolving the plan, Council established the final benefit. The maximum benefit for a volunteer beneficiary has been permanently capped. With the approval of the Volunteer Fire Pension Board and the City Council of Westminster, the assets of the plan were transferred to the Fire and Police Pension Association of Colorado (FPPA) as allowed by C.R.S., 31-31-705. This statute allows FPPA to manage the funds of the plan and pay beneficiaries. Administrative costs and fees of the plan are netted against investment earnings on a prorated basis. The City of Westminster retains responsibility for administration and the liability of the plan. Investments of the funds are invested under the concept of an agent multiple-employer plan. When the last participant of the plan passes away, the residual assets will transfer to the City and can only be used for fire related purposes.

The plan is included in FPPA's audited annual financial report, which may be obtained by writing to FPPA, 5290 DTC Parkway Suite 100, Greenwood Village, CO 80111, or by calling 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

Funded Status and Funding Progress-Volunteer Firefighter Pension Plan

Based on an amortization period of twenty years using the entry age actuarial cost method on an open level dollar amount basis, expected contributions exceed the amount recommended to fund the plan. The entry age actuarial cost method does not yield an unfunded actuarial liability. Because Volunteers are not paid, no projected salary increases or cost-of-living adjustments are included in the actuarial assumptions.

The schedule of funding progress presented as required supplementary information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

	2013 Actuarial Valuation*
Actuarial Value of Assets	\$2,514,869
Actuarial Accrued Liability (AAL)	1,827,858
Excess/(Shortfall) of Assets over AAL	687,011
Funded Ratio	138%

*Actuarial Valuation performed every two years. Next valuation is scheduled for 2015.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Actuarial Methods and Assumptions

The actuarial valuation and annual required contributions (ARC) were determined using the entry age actuarial cost method since the plan has been dissolved and benefits capped. The actuarial assumptions used in the 2013 actuarial valuation included:

- a) Actuarial cost method: Entry Age
- b) Amortization method: Level Dollar – Open
- c) Remaining amortization period: 20 years
- d) Asset valuation method: Actuarial Value, based on a five-year smooth fair market value.
- e) Investment rate of return: 7.5%
- f) No projected salary increases
- g) No cost of living increases
- h) Inflation rate: 3.0%

K. Retiree Health Program

Program Description. The Retiree Health Program (Program) is a single-employer defined benefit healthcare plan administered by the City of Westminster. The Program provides medical, dental, and vision insurance benefits to eligible retirees and their dependents until reaching the Medicare qualification age. Retirees may not stay on the Program after age 65. Benefits are provided for active employees and retirees under the same health care plan.

The Program offers a self-funded Open Access Point of Service plan as well as a fully insured HMO plan. The dental benefit component is self-funded and the vision benefit is paid solely by the participants in the Program.

Funding Policy. The Program provisions and requirements are established and may be amended by Council policy. The City funds OPEB expense on a pay-as-you-go basis. Program claims and fees for the self-funded plan and expected premiums for the fully funded plan totaled \$486,714 during 2014. Program members receiving benefits contributed \$359,553 in actual premiums equal to 100% of the equivalent premium recognized for active employees. The City's pay-as-you-go program funding totaled \$127,161 during the year.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45).

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover current year costs plus amortization for a portion of the unfunded accrued actuarial liability for Program benefits. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the Program, and changes in the City's net OPEB obligation.

	2014
Annual required contribution	\$177,521
Interest on net OPEB obligation	14,602
Annual required contribution adjustment	(13,438)
Annual OPEB cost	178,685
Contributions made	(127,161)
Increase (decrease) in annual OPEB obligation	51,524
OPEB obligation - beginning of year	389,389
OPEB obligation - end of year	\$440,913

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Program, and the net OPEB obligation for years 2012-2014 is as follows:

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
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Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	270,709	154.8%	226,945
12/31/2013	178,200	8.8%	389,389
12/31/2014	178,685	71.2%	440,913

Funded Status and Funding Progress. As of January 1, 2013, the most recent actuarial valuation date, the Program was not funded. The unfunded actuarial accrued liability (UAAL) was \$2,718,852. The covered payroll (annual payroll of active employees covered by the Program) was \$52,816,246. The ratio of the UAAL to covered payroll was 5.1 percent.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Program and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear information about the actuarial accrued liability for benefits relative to the covered payroll of employees covered by the Program.

Projections of benefits for financial reporting purposes are based on the substantive program (the program as understood by the City and the Program members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the City and Program members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2013 valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return to calculate the ARC on a pay-as-you-go basis, which is the rate expected on short-term liquid investments. The Unfunded Actuarial Accrued Liability is amortized over the maximum acceptable period of 30 years. It is calculated assuming a level percentage of projected payroll on an open basis. Payroll is assumed to increase at 3.5% per year. The annual trend rates for health care costs applied on a select and ultimate basis are 9% and 5%, respectively. Select trends are reduced 0.5% each year until reaching the ultimate trend. These rates reflect the growth in health care costs and are used to project the benefit costs for current and future retirees.

A separate financial report is not issued for the Retiree Medical Program.

L. Tax Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment. However, the City has made certain interpretations of the amendment's language in order to determine its compliance.

In November 2002, Westminster voters approved a ballot measure that exempts the City from the spending and revenue limits of the amendment.

The Amendment requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

At December 31, 2014, amounts required as Emergency Reserves in compliance with the Amendment total \$3,976,435 for the general government and an aggregate of \$18,403 for applicable component units. These amounts are shown as restrictions of fund balance in the General and respective nonmajor funds as well as a restriction of Net Position on the Statement of Net Position.

M. Jointly Governed Organization

The Woman Creek Reservoir Authority was formed in 1996 to oversee facilities constructed to protect the City's main drinking water supply from hazards flowing from the former nuclear weapons manufacturing facility at Rocky Flats. Rocky Flats is located west of the City of Westminster between the Cities of Golden and Boulder. The U.S. Department of Energy funded this water protection project through a grant. The purpose of the grant is to provide a sufficient investment pool to generate investment earnings to cover the annual operating expenses of the Authority and cover any large rehabilitation costs which may arise. The Cities of Northglenn, Westminster, and Thornton participate equally in the administration and operation of the Authority. Each City appoints one member of the three-member board of directors for the Authority. The Authority has no employees.

The Authority is not financially accountable for any other organization nor is the Authority a component unit of any other primary governmental entity.

N. Joint Ventures

Hyland Hills Park and Recreation District-City of Westminster Ice Centre Intergovernmental Agreement. The City entered into an intergovernmental agreement (IGA) with Hyland Hills Park and Recreation District on January 29, 1998. The City agreed to finance (through the Westminster Building Authority) and construct a three sheet Ice Centre and Hyland Hills agreed to operate the Ice Centre pursuant to a sublease. The sublease calls for Hyland Hills to make lease payments to the City equivalent to one-half of the rental obligation due from the City to the Westminster Building Authority. The agreement entitles Hyland Hills to an undivided fifty percent interest in the Ice Centre, which in the event of default, would be reduced by two percent for each year the lease obligation was not met.

In addition, Hyland Hills agreed to convey to the City an undivided fifty percent interest in Carroll Butts Park, and to lease to the City an undivided fifty percent interest in the Hyland Hills Ice Arena and adjacent parking lot for the twenty-five year term. At the end of the term, Hyland Hills will convey the City's fifty percent interest in the Ice Arena.

The City receives one-half of the net revenues from operations of the Ice Centre and the Hyland Hills Ice Arena and Carroll Butts Park. The City's share of net operating revenues in 2014 was \$560,219. At December 31, 2014, the net book value of the Ice Centre joint venture was \$4,648,256 and Carroll Butts Park was \$441,000, which are included in the City's fixed assets. There are not separate financial statements for the joint venture.

Broomfield-Westminster Open Space Foundation. The City entered into an intergovernmental agreement with The City and County of Broomfield on December 12, 2005, to create the Broomfield-Westminster Open Space Foundation (Foundation), a nonprofit corporation qualifying under section 501 (c) (3) of the Internal Revenue Code, to function as a public foundation. The sole purpose of the nonprofit corporation is to acquire, finance, own, and operate approximately 150 acres of undeveloped land known as the Metzger Property. The board of directors for the Foundation is comprised of an equal number of directors appointed by each City, and one additional impartial director selected by Broomfield and Westminster. Acquisition of the property was financed in 2006 from grants, donations, gifts, contributions from public and private entities, and issuance of financial obligations by the Foundation. The cities agree to their share of payments as set forth in the By-Laws of the Foundation. The City accrues one-half ownership interest in the property based on annual lease rental payments set forth in the financing document. The City records its interest in the Metzger Farm as a capital lease payable and as Joint Venture Land valued at \$4,920,000. At December 31, 2014, the City's fifty percent equity interest in the Foundation is \$766,708.

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Financial statements for the Broomfield-Westminster Open Space Foundation may be obtained by contacting the City of Broomfield, Colorado, Finance Department, 303-438-6357.

O. Component Unit of Another Government with Joint Venture Characteristics

The City of Westminster entered into an intergovernmental agreement with the City of Northglenn to establish the Church Ditch Water Authority (the Authority) on October 29, 2004. The Authority is responsible for the operation, maintenance, and continued development of Church Ditch. The effects of water resource development by the Authority benefit both cities and other contractual users of the Church Ditch. The Authority (a governmental entity), which replaced the Church Ditch Company (a private carrier ditch company), was created to maximize operating efficiencies, streamline the rate setting process, and provide for management of easement and property ownership issues. The Authority is governed by a Board of Directors consisting of two directors appointed by the City of Northglenn, and one director appointed by the City of Westminster. The City owns one-third of the Church Ditch while Northglenn owns the other two-thirds. The City of Northglenn reports the Church Ditch Authority as a discretely presented component unit; the City of Westminster, as the minority participant in the Authority, reports an equity interest of one-third of the Authority's net position as "Other Assets" in the Utility Fund. At December 31, 2014, the City's equity interest in the Church Ditch Authority was \$1,100,649.

P. Intergovernmental Agreement

In September 1995, the City entered into an intergovernmental agreement with the State of Colorado, Department of Higher Education for the construction and operation of the College Hill Library at Front Range Community College. This agreement called for the City and Front Range College to jointly build, furnish, equip, staff, operate and maintain the College Hill Library. The library has been fully operational since April 7, 1998. The intergovernmental agreement calls for the City to pay Front Range Community College its proportionate share of operating expenses, which totaled \$200,469 in 2014. This agreement allows the City to occupy space in the facility for up to 50 years. After 33 years, either party may terminate this agreement by giving two years' written notice to the other party. Thus, the City would enjoy a minimum of 35 years.

Q. Arbitrage Compliance

All bond issues for the City of Westminster have been evaluated to determine arbitrage compliance and liability position. For issues where all proceeds have been spent, the City has no liability. For recent issues where proceeds have not been fully spent, no potential liability exists.

R. Property Held for Resale

WEDA acquired the abandoned portions of a townhome project within the Holly Park urban renewal area with the intention to clean-up the abandoned areas and ready the land for sale. WEDA continues to maintain the property as a potential redevelopment site of approximately 5.7 acres. At December 31, 2014, the property was reported in the financial statements at the fair market value of \$850,000. WEDA has also acquired approximately 95% of the 105-acre Westminster Center Urban Reinvestment Project site. Demolition on the site is complete; however, no redevelopment agreement has been finalized. At December 31, 2014, the properties were reported as property held for resale in the financial statements at the fair market value of \$29,250,523, which is less than cost.

The City acquired an approximate 295,000 square foot parcel of land in the South Westminster Transportation Oriented District. Roughly 168,000 square feet of the parcel will be used for the future development of a parking garage and street rights-of-way, while the balance will be sold at a later date. At December 31, 2014 the portion of the property held for resale was reported in the General Capital Improvement Fund at the prorated cost of \$319,659.

The City purchased a 40,000 square foot/.9183 acre parcel located at the southwest corner of 92nd Avenue and Lowell Boulevard which is intended to be sold at a later date for development purposes. At December 31, 2014,

**CITY OF WESTMINSTER, COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

the land held for resale was reported as property held for resale in the financial statements of the General Fund at a cost of \$31,474.

The City acquired five properties located in the 7200 block of Lowell Boulevard. The properties were acquired with Section 108 Loan Guarantee Funds. The City has an agreement with a developer. Upon development plan approval, the City plans to convey these properties to the developer in exchange for the developer assuming the debt. As of December 31, 2014, the properties held for resale were reported as property held for resale in the financial statements of the Community Development Block Grant fund at a cost of \$1,210,223.

S. Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2014, Industrial Revenue Bonds outstanding aggregated \$7,110,000.

T. Pollution Remediation

The State of Colorado, Department of Labor and Employment, Division of Oil and Public Safety recognizes the City of Westminster as the sole responsible party for the pollution remediation of a leak from underground gas storage tanks at the Municipal Service Center discovered in 1986. A feasibility study performed by a consultant estimated the value of recovery costs on January 24, 2014 at \$383,900 for the in-situ injection remediation method selected by the City.

The consultant provided cost estimates based on well readings and current costs for monitoring, operations and maintenance, and site closure over a 13-15 year period. At December 31, 2014, the pollution remediation liability was \$338,375, which is recorded in the Utility Fund. Changes in the cost elements are likely to occur as a result of the effectiveness of remediation efforts and new information.

U. Subsequent Event

On February 19, 2015 the City's Utility Enterprise issued \$4.61 million in revenue bonds. Proceeds of \$40,391 were used to cover the cost of issuance fees. Principal and Interest payments begin on June 1, 2015 at an interest rate of 1.75%.

On February 12, 2015, the City sold approximately 15.8 acres of land located between the Promenade and Circle Point developments in Westminster for a total consideration of \$4,619,931 pursuant to a contract to buy and sell real estate between the City and Pacific West Communities, Inc. / Urban Pacific Multi-Housing. The property is to be developed as a multi-family housing project.

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 4,160,000	\$ 4,160,000	\$ 4,137,333	\$ (22,667)
Sales taxes	59,200,906	62,355,311	67,724,573	5,369,262
Use taxes	11,054,500	11,283,806	13,837,066	2,553,260
Business fees and other taxes	5,116,146	5,116,146	5,745,800	629,654
Accommodations taxes	720,000	720,000	875,684	155,684
Intergovernmental	6,103,430	7,141,893	7,801,515	659,622
Licenses and permits	1,622,000	1,702,662	2,459,437	756,775
Interest	248,156	248,156	335,432	87,276
Recreation fees	6,775,338	6,912,229	7,379,510	467,281
Fines and forfeits	2,150,000	2,150,000	1,585,060	(564,940)
Fleet maintenance billings and other	4,354,986	4,359,975	4,374,067	14,092
EMS billings	2,150,000	2,150,000	2,178,911	28,911
Total revenues	<u>103,655,462</u>	<u>108,300,178</u>	<u>118,434,388</u>	<u>10,134,210</u>
EXPENDITURES				
General government				
City council	193,703	193,703	178,750	14,953
City attorney's office	1,097,910	1,097,810	1,083,990	13,820
City manager's office	1,199,730	1,204,130	1,162,010	42,120
Central charges	26,590,966	29,857,546	28,825,251	1,032,295
General services	7,960,195	7,962,841	7,762,987	199,854
Finance	1,779,828	1,779,828	1,754,664	25,164
Public safety				
Police	20,738,641	21,264,724	20,575,128	689,596
Fire	12,174,552	12,350,438	12,307,079	43,359
Public works	7,712,625	7,715,085	7,589,559	125,526
Community development	3,633,987	3,655,840	3,526,629	129,211
Culture and recreation	14,566,796	14,966,068	14,964,860	1,208
Total expenditures	<u>97,648,933</u>	<u>102,048,013</u>	<u>99,730,907</u>	<u>2,317,106</u>
Excess of revenues over (under) expenditures	<u>6,006,529</u>	<u>6,252,165</u>	<u>18,703,481</u>	<u>12,451,316</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	30,000	30,000	41,790	11,790
Transfers in	329,463	854,601	974,102	119,501
Transfers (out)	(6,248,837)	(13,262,844)	(13,162,844)	100,000
Total other financing sources (uses):	<u>(5,889,374)</u>	<u>(12,378,243)</u>	<u>(12,146,952)</u>	<u>231,291</u>
Net change in fund balance	<u>\$ 117,155</u>	<u>\$ (6,126,078)</u>	6,556,529	<u>\$ 12,682,607</u>
Fund balance, beginning			30,757,857	
Fund balance, ending			<u>\$ 37,314,386</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property tax increment	\$ 9,017,998	\$ 9,077,508	\$ 9,166,487	\$ 88,979
Sales tax increment	-	-	255,093	255,093
Intergovernmental	57,000	-	-	-
Interest	15,024	19,212	58,525	39,313
Rentals	-	409,143	409,143	-
Other	150	150	24,370	24,220
Total revenues	<u>9,090,172</u>	<u>9,506,013</u>	<u>9,913,618</u>	<u>407,605</u>
EXPENDITURES				
General government	440,005	582,634	571,063	11,571
Capital projects	2,760,943	10,014,318	8,547,288	1,467,030
Debt service:				
Principal	5,310,000	5,310,000	5,310,000	-
Interest and fiscal charges	3,205,646	3,205,646	3,198,655	6,991
Total expenditures	<u>11,716,594</u>	<u>19,112,598</u>	<u>17,627,006</u>	<u>1,485,592</u>
Excess of revenues (under) expenditures	<u>(2,626,422)</u>	<u>(9,606,585)</u>	<u>(7,713,388)</u>	<u>1,893,197</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	-	16,200	16,200	-
Transfers in	-	657,000	857,600	200,600
Transfers (out)	(350,000)	(956,500)	(956,500)	-
Total other financing sources (uses):	<u>(350,000)</u>	<u>(283,300)</u>	<u>(82,700)</u>	<u>200,600</u>
Net change in fund balance	<u>\$ (2,976,422)</u>	<u>\$ (9,889,885)</u>	<u>(7,796,088)</u>	<u>\$ 2,093,797</u>
Fund balance, beginning			52,870,788	
Fund balance, ending			<u>\$ 45,074,700</u>	

CITY OF WESTMINSTER, COLORADO
Schedules of Funding Progress
December 31, 2014

Volunteer Firefighter Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age			Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		Actuarial Cost Method	Overfunded AAL				
1/1/2009	\$ 2,710,097	\$ 1,975,712	\$ 734,385	137.00%	(a)	NA	
1/1/2011	2,594,924	1,855,408	739,516	140.00%	(a)	NA	
1/1/2013	2,514,869	1,827,858	687,011	138.00%	(a)	NA	

(a) Volunteer firefighters are not paid; therefore, comparison of the over-funded actuarial accrued liability to covered payroll is not applicable.

Methods and assumptions used in the 2013 actuarial valuation included:

- Actuarial cost method: Entry Age
- Amortization method: Level Dollar - Open
- Remaining amortization period: 20 years
- Asset valuation method: Actuarial Value, based on a five-year smooth fair market value
- Investment rate of return: 7.5%
- No projected salary increases
- No cost of living increases
- Inflation rate: 3.0%

Retiree Health Program

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit			Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
		Credit Cost Method	Unfunded AAL (UAAL)				
1/1/2009	\$ -	\$ 4,000,000	\$ 4,000,000	0%	\$ 52,697,614	7.6%	
1/1/2011	-	2,402,366	2,402,366	0%	51,742,297	4.6%	
1/1/2013	-	2,718,852	2,718,852	0%	52,816,246	5.1%	

CITY OF WESTMINSTER, COLORADO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014

Budgetary Information

A biennial city budget is legally adopted by City Council on a basis consistent with generally accepted accounting principles for all fund types, except for the Investigation Recovery Special Revenue Fund, internal service self-insurance funds, capital project funds, and blended component units of the City.

A biennial budget is adopted for the Westminster Economic Development Authority by the Authority's Board and annual budgets are adopted for the Westminster Housing Authority and general improvement districts by their respective Boards.

Appropriations lapse at year end for legally adopted operating budgets.

Project-length budgets are adopted for all capital projects. At year end, appropriations for incomplete capital projects are carried forward to the following year. The General Capital Improvements Capital Projects Fund, Westminster Economic Development Authority Fund, Community Development Block Grant Fund, Parks, Open Space and Trails Fund, Conservation Trust Fund, and the Utility Enterprise Fund, budget for capital projects.

The General Capital Outlay Replacement Fund uses project length budgeting for capital outlay replacements of fleet vehicles and other equipment. Like capital project budgets, unspent appropriations are carried forward to the following year.

Budgetary comparison schedules for funds with project length budgets include current year and continuing appropriations from the prior year.

The legal level of budgetary control is the department level. Transfers of appropriations between departments and/or funds require the approval of the City Council.

See the disclosure on Construction and Other Significant Commitments, page 56 for detail on the continuing appropriations for capital project and project length budgets.

Special Revenue Funds

Parks, Open Space & Trails Sales and Use Tax Fund - accounts for revenues from the City's 0.25 percent sales and use tax which was approved by Westminster voters. Spending is restricted to land acquisition to preserve open space and scenic vistas, and up to one-half of the revenues may be used for the development of additional park land, trails, and enhancement of existing parks.

Sheridan Crossing General Improvement District Fund – accounts for revenues provided for and expenditures associated with the operation and maintenance of commons areas within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Amherst General Improvement District Fund – accounts for revenues provided for and expenditures associated with the operation and maintenance of commons areas within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

136th Avenue General Improvement District Fund – accounts for revenues provided for and expenditures associated with the building of an interchange within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Orchard Park Place North General Improvement District Fund – accounts for revenues provided for and expenditures associated with District improvements, maintenance of the improvements, and District administration. Revenues are provided by ad valorem property taxes levied and received by the District.

Promenade Parking General Improvement District Fund – accounts for revenues provided for and expenditures associated with the operation and maintenance of a parking garage within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Mandalay Town Center General Improvement District Fund – accounts for revenues provided for and expenditures associated with debt service for infrastructure improvements within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

144th Avenue General Improvement District Fund – accounts for revenues provided for and expenditures associated with debt service for infrastructure improvements within the District. Revenues are provided by ad valorem property taxes levied and received by the District.

Conservation Trust Fund - accounts for lottery proceeds received from the State of Colorado. Spending is restricted to the development or improvement of City parks. The City's share is determined by population data and the existence of special recreational districts.

Investigation Recovery Fund - accounts for proceeds from police seizures, forfeitures and restitutions. Spending is restricted by both Federal and State law to Police Department equipment, commodities, and/or training needs above budgeted amounts. In 2014, the City of Westminster did not receive any federal forfeited assets.

Debt Service Funds

General Debt Service Fund - accumulates monies for payment of the following bond issues:

- a) 2001 Sales and Use Tax Revenue Refunding Bonds of \$13,275,000 originally issued; \$1,620,000 remaining after 2010 refunding, due in annual installments through December 1, 2021; interest at 4.3 to 5.0 percent. Financing is provided by the City's 3.0 percent sales and use tax.
- b) 2007A Sales and Use Tax Revenue Refunding Bonds of \$10,715,000 due in annual installments through December 1, 2016; interest at 4.25 to 5.5 percent. Financing is provided by the City's 3.0 percent sales and use tax.
- c) 2007B Special Purpose Sales and Use Tax Revenue Refunding Bonds of \$13,680,000 due in annual installments through December 1, 2016, interest at 4.0 to 5.5 percent. Financing is provided by the City's 0.25 percent open space sales and use tax.
- d) 2007C Sales and Use Tax Revenue Refunding Bonds of \$10,910,000 due in annual installments through December 1, 2016; interest at 4.0 to 5.25 percent. Financing is provided by the City's 3.0 percent sales and use tax.
- e) 2007D Special Purpose Sales and Use Tax Revenue Bonds of \$20,000,000 due in annual installments through December 1, 2031, interest at 4.0 to 5.0 percent. Financing is provided by the City's 0.25 percent open space sales and use tax.
- f) 2010 Sales and Use Tax Revenue Refunding Bonds of \$10,545,000 in annual installments through December 1, 2022; interest at 2.13 to 5.0 percent. Financing is provided by the City's 3.0 percent sales and use tax.

Capital Projects Funds

Community Development Block Grant Fund - accounts for monies received from the Federal government through Community Development Block Grant entitlements and the Section 108 Loan Guarantee Program. Community Development Block Grant entitlements are used to finance low income and senior housing. Section 108 loan Guarantee Program Funds are used for economic and community development activities. Additional financing is provided by General Fund revenues and investment earnings.

Proprietary Funds

Golf Course Fund – accounts for all activities necessary to operate and maintain two championship golf courses and finance the related debt service.

Westminster Housing Authority Fund – accounts for activities related to providing affordable housing within the City including partnering with for-profit and non-profit housing developers to construct or rehabilitate residences. Funds held by the WHA are used to leverage other funding sources such as Low Income Housing Tax Credits.

Internal Service Funds

Medical and Dental Self-Insurance Fund - accounts for the resources and payment of dental and medical claims of employees and their covered dependents.

Workers' Compensation Self-Insurance Fund - accounts for the resources and payment of workers' compensation claims of employees.

Property and Liability Self-Insurance Fund - accounts for the payment of property and liability claims against the City from resources accumulated for this purpose.

General Capital Outlay Replacement Fund – accounts for the replacement of the City's fleet and other capital assets.

**CITY OF WESTMINSTER, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Special Revenue Funds					
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID	Orchard Park Place GID	Promenade Parking GID
ASSETS						
Cash and cash equivalents	\$ 70,454	\$ 60,975	\$ 19,107	\$ 419	\$ 172	\$ 1
Investments	1,338,616	1,158,519	363,042	7,961	3,259	21
Receivables:						
Taxes	633,281	104,437	63,152	10,652	2,457	131
Accounts	364	822	376	1,339	210	-
Grants	-	-	-	-	-	-
Interest	4,078	3,541	1,127	54	-	-
Property held for resale	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Restricted assets:						
Cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents with fiscal agent	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Total assets	<u>\$ 2,046,793</u>	<u>\$ 1,328,294</u>	<u>\$ 446,804</u>	<u>\$ 20,425</u>	<u>\$ 6,098</u>	<u>\$ 153</u>
LIABILITIES						
Accounts payable and other	\$ 23,569	\$ 27,045	\$ 170	\$ -	\$ -	\$ -
Accrued liabilities	1,250	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Total liabilities	<u>24,819</u>	<u>27,045</u>	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>104,437</u>	<u>63,152</u>	<u>10,652</u>	<u>2,457</u>	<u>131</u>
FUND BALANCES						
Nonspendable:						
Prepays and inventories	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
Restricted for:						
Capital additions and improvements	-	1,193,042	381,318	-	2,521	-
Contractual obligations	-	-	-	2,635	-	18
Emergencies	-	3,770	2,164	7,138	1,120	4
Open space conservation and improvements	1,874,739	-	-	-	-	-
Public safety	-	-	-	-	-	-
Assigned to:						
Community development	147,235	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>2,021,974</u>	<u>1,196,812</u>	<u>383,482</u>	<u>9,773</u>	<u>3,641</u>	<u>22</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,046,793</u>	<u>\$ 1,328,294</u>	<u>\$ 446,804</u>	<u>\$ 20,425</u>	<u>\$ 6,098</u>	<u>\$ 153</u>

Mandalay Town Center GID	144th Avenue GID	Conservation Trust	Investigation Recovery	Total Special Revenue Funds	Debt Service Fund Debt Service	Capital Project Fund Community Development Block Grant	Total Other Governmental Funds
\$ 87	\$ 395	\$ -	\$ 859	\$ 152,469	\$ 6,611	\$ -	\$ 159,080
1,651	7,505	-	16,330	2,896,904	125,600	-	3,022,504
25,480	26,934	-	-	866,524	-	-	866,524
4,095	3,545	-	996	11,747	-	-	11,747
-	-	-	-	-	-	6,691	6,691
54	54	6,224	54	15,186	376	-	15,562
-	-	-	-	-	-	1,210,223	1,210,223
-	-	-	-	-	-	235	235
-	-	107,598	-	107,598	-	-	107,598
-	-	-	-	-	-	11,553	11,553
-	-	2,044,352	-	2,044,352	-	-	2,044,352
<u>\$ 31,367</u>	<u>\$ 38,433</u>	<u>\$ 2,158,174</u>	<u>\$ 18,239</u>	<u>\$ 6,094,780</u>	<u>\$ 132,587</u>	<u>\$ 1,228,702</u>	<u>\$ 7,456,069</u>
\$ -	\$ -	\$ 11,624	\$ -	\$ 62,408	\$ -	\$ 6,000	\$ 68,408
-	-	-	-	1,250	-	691	1,941
-	-	-	-	-	-	1,120	1,120
-	-	11,624	-	63,658	-	7,811	71,469
25,480	26,934	-	-	233,243	-	6,691	239,934
-	-	-	-	-	-	235	235
-	-	-	-	-	-	1,210,223	1,210,223
-	-	2,146,550	-	3,723,431	-	10,433	3,733,864
3,899	9,280	-	-	15,832	-	-	15,832
1,988	2,219	-	-	18,403	-	-	18,403
-	-	-	-	1,874,739	-	-	1,874,739
-	-	-	18,239	18,239	-	-	18,239
-	-	-	-	147,235	-	-	147,235
-	-	-	-	-	132,587	-	132,587
-	-	-	-	-	-	(6,691)	(6,691)
<u>5,887</u>	<u>11,499</u>	<u>2,146,550</u>	<u>18,239</u>	<u>5,797,879</u>	<u>132,587</u>	<u>1,214,200</u>	<u>7,144,666</u>
<u>\$ 31,367</u>	<u>\$ 38,433</u>	<u>\$ 2,158,174</u>	<u>\$ 18,239</u>	<u>\$ 6,094,780</u>	<u>\$ 132,587</u>	<u>\$ 1,228,702</u>	<u>\$ 7,456,069</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds					
	Parks, Open Space & Trails	Sheridan Crossing GID	Amherst GID	136th Ave GID	Orchard Park Place GID	Promenade Parking GID
REVENUES						
Property taxes	\$ -	\$ 105,143	\$ 63,418	\$ 10,794	\$ 1,649	\$ 133
Sales taxes	4,719,737	-	-	-	-	-
Use taxes	960,386	-	-	-	-	-
Intergovernmental	1,037,071	8,483	4,972	226,972	35,675	-
Interest	8,747	12,047	3,747	186	2	-
Contributions	76,036	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Other	92,265	-	-	-	-	-
Total revenues	<u>6,894,242</u>	<u>125,673</u>	<u>72,137</u>	<u>237,952</u>	<u>37,326</u>	<u>133</u>
EXPENDITURES						
Current:						
General government	-	51,562	25,749	10,162	8,867	197
Community development	1,916,055	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,916,055</u>	<u>51,562</u>	<u>25,749</u>	<u>10,162</u>	<u>8,867</u>	<u>197</u>
Excess of revenues over (under) expenditures	<u>4,978,187</u>	<u>74,111</u>	<u>46,388</u>	<u>227,790</u>	<u>28,459</u>	<u>(64)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	248,463	-	-	-	-	-
Transfers (out)	(4,634,360)	-	-	(229,994)	(25,483)	-
Total other financing sources (uses):	<u>(4,385,897)</u>	<u>-</u>	<u>-</u>	<u>(229,994)</u>	<u>(25,483)</u>	<u>-</u>
Net change in fund balance	592,290	74,111	46,388	(2,204)	2,976	(64)
Fund balance, beginning	1,429,684	1,122,701	337,094	11,977	665	86
Fund balance, ending	<u>\$ 2,021,974</u>	<u>\$ 1,196,812</u>	<u>\$ 383,482</u>	<u>\$ 9,773</u>	<u>\$ 3,641</u>	<u>\$ 22</u>

				Total	Debt Service	Capital Project	Total
				Special	Fund	Fund	Other
Mandalay				Revenue	Debt	Community	Governmental
Tow n Center	144th Ave	Conservation	Investigation	Funds	Service	Development	Funds
GID	GID	Trust	Recovery			Block	
						Grant	
\$ 22,691	\$ 27,686	\$ -	\$ -	\$ 231,514	\$ -	\$ -	\$ 231,514
-	-	-	-	4,719,737	-	-	4,719,737
-	-	-	-	960,386	-	-	960,386
43,376	46,140	774,424	-	2,177,113	-	734,327	2,911,440
215	151	21,588	179	46,862	24,733	91	71,686
-	-	-	-	76,036	-	-	76,036
-	-	-	2,274	2,274	-	-	2,274
-	-	-	-	92,265	-	-	92,265
<u>66,282</u>	<u>73,977</u>	<u>796,012</u>	<u>2,453</u>	<u>8,306,187</u>	<u>24,733</u>	<u>734,418</u>	<u>9,065,338</u>
10,340	10,415	-	-	117,292	-	-	117,292
-	-	-	-	1,916,055	-	-	1,916,055
-	-	605,407	-	605,407	-	581,748	1,187,155
-	-	-	-	-	5,480,000	-	5,480,000
-	-	-	-	-	2,108,614	6,624	2,115,238
<u>10,340</u>	<u>10,415</u>	<u>605,407</u>	<u>-</u>	<u>2,638,754</u>	<u>7,588,614</u>	<u>588,372</u>	<u>10,815,740</u>
55,942	63,562	190,605	2,453	5,667,433	(7,563,881)	146,046	(1,750,402)
-	-	-	-	248,463	7,516,245	-	7,764,708
(57,600)	(62,065)	-	-	(5,009,502)	-	(200,000)	(5,209,502)
<u>(57,600)</u>	<u>(62,065)</u>	<u>-</u>	<u>-</u>	<u>(4,761,039)</u>	<u>7,516,245</u>	<u>(200,000)</u>	<u>2,555,206</u>
(1,658)	1,497	190,605	2,453	906,394	(47,636)	(53,954)	804,804
7,545	10,002	1,955,945	15,786	4,891,485	180,223	1,268,154	6,339,862
<u>\$ 5,887</u>	<u>\$ 11,499</u>	<u>\$ 2,146,550</u>	<u>\$ 18,239</u>	<u>\$ 5,797,879</u>	<u>\$ 132,587</u>	<u>\$ 1,214,200</u>	<u>\$ 7,144,666</u>

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
PARKS, OPEN SPACE AND TRAILS SALES AND USE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Sales taxes	\$ 4,389,076	\$ 4,719,737	\$ 330,661
Use taxes	763,565	960,386	196,821
Intergovernmental	754,600	1,037,071	282,471
Interest	10,000	8,747	(1,253)
Contributions	-	76,036	76,036
Other	99,908	92,265	(7,643)
Total revenues	<u>6,017,149</u>	<u>6,894,242</u>	<u>877,093</u>
EXPENDITURES			
Community development	1,985,726	1,916,055	69,671
Total expenditures	<u>1,985,726</u>	<u>1,916,055</u>	<u>69,671</u>
Excess of revenues over expenditures	<u>4,031,423</u>	<u>4,978,187</u>	<u>946,764</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	24,537	248,463	223,926
Transfers (out)	(4,634,360)	(4,634,360)	-
Total other financing sources (uses):	<u>(4,609,823)</u>	<u>(4,385,897)</u>	<u>223,926</u>
Net change in fund balance	<u>\$ (578,400)</u>	592,290	<u>\$ 1,170,690</u>
Fund balance, beginning		1,429,684	
Fund balance, ending		<u>\$ 2,021,974</u>	

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 SHERIDAN CROSSING GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 105,075	\$ 105,143	\$ 68
Intergovernmental	7,000	8,483	1,483
Interest	10,100	12,047	1,947
Total revenues	<u>122,175</u>	<u>125,673</u>	<u>3,498</u>
EXPENDITURES			
General government	67,476	51,562	15,914
Total expenditures	<u>67,476</u>	<u>51,562</u>	<u>15,914</u>
Net change in fund balance	<u>\$ 54,699</u>	74,111	<u>\$ 19,412</u>
Fund balance, beginning		1,122,701	
Fund balance, ending		<u>\$ 1,196,812</u>	

CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 AMHERST GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 63,371	\$ 63,418	\$ 47
Intergovernmental	4,500	4,972	472
Interest	3,000	3,747	747
Total revenues	<u>70,871</u>	<u>72,137</u>	<u>1,266</u>
EXPENDITURES			
General government	63,951	25,749	38,202
Total expenditures	<u>63,951</u>	<u>25,749</u>	<u>38,202</u>
Net change in fund balance	<u>\$ 6,920</u>	46,388	<u>\$ 39,468</u>
Fund balance, beginning		337,094	
Fund balance, ending		<u>\$ 383,482</u>	

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 136TH AVENUE GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 10,413	\$ 10,794	\$ 381
Intergovernmental	225,260	226,972	1,712
Interest	175	186	11
Total revenues	<u>235,848</u>	<u>237,952</u>	<u>2,104</u>
EXPENDITURES			
General government	10,162	10,162	-
Total expenditures	<u>10,162</u>	<u>10,162</u>	<u>-</u>
Income (loss) before transfers	225,686	227,790	
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(229,994)	(229,994)	-
Net change in fund balance	<u>\$ (4,308)</u>	<u>(2,204)</u>	<u>\$ 2,104</u>
Fund balance, beginning		11,977	
Fund balance, ending		<u>\$ 9,773</u>	

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 ORCHARD PARK PLACE GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 1,629	\$ 1,649	\$ 20
Intergovernmental	33,084	35,675	2,591
Interest	15	2	(13)
Total revenues	<u>34,728</u>	<u>37,326</u>	<u>2,598</u>
EXPENDITURES			
General government	8,867	8,867	-
Total expenditures	<u>8,867</u>	<u>8,867</u>	-
Income (loss) before transfers	25,861	28,459	
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(25,483)	(25,483)	-
Net change in fund balance	<u>\$ 378</u>	2,976	<u>\$ 2,598</u>
Fund balance, beginning		665	
Fund balance, ending		<u>\$ 3,641</u>	

CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 PROMENADE PARKING GENERAL IMPROVEMENT DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 131	\$ 133	\$ 2
Total revenues	<u>131</u>	<u>133</u>	<u>2</u>
EXPENDITURES			
General government	197	197	-
Total expenditures	<u>197</u>	<u>197</u>	<u>-</u>
Net change in fund balance	<u>\$ (66)</u>	(64)	<u>\$ 2</u>
Fund balance, beginning		86	
Fund balance, ending		<u>\$ 22</u>	

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 MANDALAY TOWN CENTER GENERAL IMPROVEMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 25,766	\$ 22,691	\$ (3,075)
Intergovernmental	41,700	43,376	1,676
Interest	24	215	191
Total revenues	<u>67,490</u>	<u>66,282</u>	<u>(1,208)</u>
EXPENDITURES			
General government	10,386	10,340	46
Total expenditures	<u>10,386</u>	<u>10,340</u>	<u>46</u>
Income (loss) before transfers	57,104	55,942	(1,162)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(57,600)</u>	<u>(57,600)</u>	<u>-</u>
Net change in fund balance	<u>\$ (496)</u>	(1,658)	<u>\$ (1,162)</u>
Fund balance, beginning		7,545	
Fund balance, ending		<u>\$ 5,887</u>	

CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 144th AVENUE GENERAL IMPROVEMENT DISTRICT
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 27,088	\$ 27,686	\$ 598
Intergovernmental	39,000	46,140	7,140
Interest	50	151	101
Total revenues	<u>66,138</u>	<u>73,977</u>	<u>7,839</u>
EXPENDITURES			
General government	10,416	10,415	1
Total expenditures	<u>10,416</u>	<u>10,415</u>	<u>1</u>
Income (loss) before transfers	55,722	63,562	7,840
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(62,065)</u>	<u>(62,065)</u>	<u>-</u>
Net change in fund balance	<u>\$ (6,343)</u>	1,497	<u>\$ 7,840</u>
Fund balance, beginning		10,002	
Fund balance, ending		<u>\$ 11,499</u>	

CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Assessments	\$ 650,000	\$ 774,424	\$ 124,424
Interest	9,464	21,588	12,124
Total revenues	<u>659,464</u>	<u>796,012</u>	<u>136,548</u>
EXPENDITURES			
Capital projects	2,365,872	605,407	1,760,465
Total expenditures	<u>2,365,872</u>	<u>605,407</u>	<u>1,760,465</u>
Net change in fund balance	<u>\$ (1,706,408)</u>	190,605	<u>\$ 1,897,013</u>
Fund balance, beginning		1,955,945	
Fund balance, ending		<u>\$ 2,146,550</u>	

**CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Interest	\$ 50,000	\$ 24,733	\$ (25,267)
Miscellaneous	24,013	-	(24,013)
Total revenues	<u>74,013</u>	<u>24,733</u>	<u>(49,280)</u>
EXPENDITURES			
Debt service:			
Principal	5,480,000	5,480,000	-
Interest and fiscal charges	2,115,264	2,108,614	6,650
Total expenditures	<u>7,595,264</u>	<u>7,588,614</u>	<u>6,650</u>
Excess of revenues (under) expenditures	<u>(7,521,251)</u>	<u>(7,563,881)</u>	<u>(42,630)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	7,516,245	7,516,245	-
Net change in fund balance	<u>\$ (5,006)</u>	<u>(47,636)</u>	<u>\$ (55,930)</u>
Fund balance, beginning		180,223	
Fund balance, ending		<u>\$ 132,587</u>	

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2014

	Golf Course	Westminster Housing Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 71,618	\$ 53,146	\$ 124,764
Investments	1,297,098	1,009,766	2,306,864
Receivables:			
Accounts	74	-	74
Interest	3,971	3,059	7,030
Inventories	201,436	-	201,436
Bond issuance and other prepaid items	24,656	-	24,656
Total current assets	<u>1,598,853</u>	<u>1,065,971</u>	<u>2,664,824</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable assets	13,455,674	201,173	13,656,847
Depreciable assets, net	4,526,399	828,317	5,354,716
Notes receivable	-	396,877	396,877
Total noncurrent assets	<u>17,982,073</u>	<u>1,426,367</u>	<u>19,408,440</u>
Total assets	<u>19,580,926</u>	<u>2,492,338</u>	<u>22,073,264</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>37,551</u>	<u>-</u>	<u>37,551</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other	31,278	11,631	42,909
Accrued liabilities	60,814	-	60,814
Unearned revenue	31,125	-	31,125
Lease payable, current portion	663,703	-	663,703
Other liabilities, current portion	10,190	-	10,190
Accrued interest	27,293	-	27,293
Total current liabilities	<u>824,403</u>	<u>11,631</u>	<u>836,034</u>
Noncurrent liabilities:			
Leases payable	4,400,952	-	4,400,952
Other liabilities payable	265,834	-	265,834
Total noncurrent liabilities	<u>4,666,786</u>	<u>-</u>	<u>4,666,786</u>
Total liabilities	<u>5,491,189</u>	<u>11,631</u>	<u>5,502,820</u>
NET POSITION			
Net investment in capital assets	12,954,970	1,029,490	13,984,460
Unrestricted	1,172,318	1,451,217	2,623,535
Total net position	<u>\$ 14,127,288</u>	<u>\$ 2,480,707</u>	<u>\$ 16,607,995</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Golf Course	Westminster Housing Authority	Total
Operating revenues			
Charges for services	\$ 3,427,107	\$ -	\$ 3,427,107
Rentals	-	20	20
Other	117,017	-	117,017
Total operating revenues	<u>3,544,124</u>	<u>20</u>	<u>3,544,144</u>
Operating expenses			
Personnel services	1,621,098	-	1,621,098
Contractual services	653,768	24,244	678,012
Commodities	535,269	3,242	538,511
Capital expense	49,828	-	49,828
Depreciation expense	508,498	57,180	565,678
Total operating expenses	<u>3,368,461</u>	<u>84,666</u>	<u>3,453,127</u>
Operating income (loss)	<u>175,663</u>	<u>(84,646)</u>	<u>91,017</u>
Nonoperating revenues (expenses)			
Income on investments	11,042	6,891	17,933
Interest expense	(166,341)	-	(166,341)
Gain on disposition of capital assets	87,070	94,666	181,736
Other	-	9,278	9,278
Total nonoperating revenues (expenses)	<u>(68,229)</u>	<u>110,835</u>	<u>42,606</u>
Income before contributions and transfers	<u>107,434</u>	<u>26,189</u>	<u>133,623</u>
Capital contributions	8,322	265,692	274,014
Transfers in	579,143	-	579,143
Change in net position	<u>694,899</u>	<u>291,881</u>	<u>986,780</u>
Net position - beginning	<u>13,432,389</u>	<u>2,188,826</u>	<u>15,621,215</u>
Net position - ending	<u>\$ 14,127,288</u>	<u>\$ 2,480,707</u>	<u>\$ 16,607,995</u>

**CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Golf Course	Westminster Housing Authority	Total
Cash flows from operating activities:			
Receipts from customers	\$ 3,546,291	\$ 20	\$ 3,546,311
Cash payments to employees for services	(1,598,530)	-	(1,598,530)
Cash payments to suppliers for goods and services	(1,239,539)	(26,212)	(1,265,751)
Net cash provided by (used in) operating activities	<u>708,222</u>	<u>(26,192)</u>	<u>682,030</u>
Cash flows from noncapital financing activities:			
Miscellaneous	-	9,278	9,278
Transfer in	579,143	-	579,143
Net cash provided by (used in) noncapital financing activities	<u>579,143</u>	<u>9,278</u>	<u>588,421</u>
Cash flows from capital and related financing activities:			
Principal paid on long-term debt	(544,106)	-	(544,106)
Interest paid on long-term debt	(151,577)	-	(151,577)
Acquisition and construction of capital assets	(1,253,916)	-	(1,253,916)
Proceeds from sale of capital assets	87,070	450,614	537,684
Proceeds from capital lease financing	1,101,068	-	1,101,068
Net cash provided by (used in) capital and related financing activities	<u>(761,461)</u>	<u>450,614</u>	<u>(310,847)</u>
Cash flow from investing activities:			
Proceeds from sale of investments	510,660	320,239	830,899
Purchases of investments	(1,017,146)	(731,947)	(1,749,093)
Interest received on investments	7,336	(34)	7,302
Net cash provided by (used in) investing activities	<u>(499,150)</u>	<u>(411,742)</u>	<u>(910,892)</u>
Net increase (decrease) in cash and cash equivalents	26,754	21,958	48,712
Cash and cash equivalents - beginning of year	<u>44,864</u>	<u>31,188</u>	<u>76,052</u>
Cash and cash equivalents - end of year	<u>\$ 71,618</u>	<u>\$ 53,146</u>	<u>\$ 124,764</u>

(Continued)

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

	Golf Course	Westminster Housing Authority	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 175,663	\$ (84,646)	\$ 91,017
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	508,498	57,180	565,678
(Increase) decrease in accounts receivable	5	-	5
(Increase) decrease in inventories	(3,733)	-	(3,733)
(Increase) decrease in prepaid items	863	-	863
Increase (decrease) in unearned revenue	2,162	-	2,162
Increase (decrease) in accounts payable and other	25,987	1,274	27,261
Increase (decrease) in accrued liabilities	(1,223)	-	(1,223)
Total adjustments	532,559	58,454	591,013
Net cash provided by (used in) operating activities	\$ 708,222	\$ (26,192)	\$ 682,030

Non-cash investing, capital, and financing activities:

- * The unrecognized gain recorded to value the non-cash investments of the non-major enterprise funds to fair market value was \$3,242.
- * Net amortization totaling \$1,926 was recognized through the amortization of bond premiums, discounts, deferred loss on refunding, and bond insurance costs.
- * Accrued interest decreased for non-major enterprise funds by \$16,691.
- * An allowance for doubtful collection was recorded for a note receivable in the amount of \$164,000 in the Westminster Housing Authority.
- * Capital contributions were received by the Golf Funds from the General Capital Improvement Fund in the amount of \$8,322.
- * Capital contributions were received by the Westminster Housing Authority from the Community Development Block Grant Fund in the amount of \$265,692.

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Operating revenues			
Charges for services	\$ 50,006,018	\$ 47,890,317	\$ (2,115,701)
Other	485,000	342,821	(142,179)
Total operating revenues	<u>50,491,018</u>	<u>48,233,138</u>	<u>(2,257,880)</u>
Operating expenses			
Personnel services	16,184,999	15,782,853	402,146
Contractual services	13,013,969	11,129,002	1,884,967
Commodities	2,141,573	1,705,260	436,313
Capital expense	68,898,667	18,564,526	50,334,141
Insurance and other expenses	-	2,320	(2,320)
Total operating expenses	<u>100,239,208</u>	<u>47,183,961</u>	<u>53,055,247</u>
Operating income (loss)	<u>(49,748,190)</u>	<u>1,049,177</u>	<u>50,797,367</u>
Nonoperating revenues (expenses)			
Income on investments	656,139	842,991	186,852
Debt service	(7,221,474)	(7,204,109)	17,365
Disposition of assets	-	128,870	128,870
Other	-	479,758	479,758
Total nonoperating revenues (expenses)	<u>(6,565,335)</u>	<u>(5,752,490)</u>	<u>812,845</u>
Loss before contributions and transfers	(56,313,525)	(4,703,313)	51,610,212
Capital contributions	9,335,262	7,060,781	(2,274,481)
Transfers in	9,156,830	17,083,585	7,926,755
Transfers (out)	(17,437,585)	(17,437,585)	-
Change in net position	<u>\$ (55,259,018)</u>	<u>2,003,468</u>	<u>\$ 57,262,486</u>
Adjustments to GAAP basis			
Debt			
Principal payments		4,689,246	
Amortization of prepaid bond sale expense		(159,974)	
Amortization of premiums and discounts		85,918	
Accrued interest adjustment		16,594	
Capital assets			
Acquisitions		17,022,471	
Net book value of disposals		(143,026)	
Depreciation		(12,169,242)	
Inventories		3,043	
General leave accrual		(38,142)	
Change in net position, GAAP basis		<u>\$ 11,310,356</u>	

CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 3,025,336	\$ 3,427,107	\$ 401,771
Other	107,886	117,017	9,131
Total operating revenues	<u>3,133,222</u>	<u>3,544,124</u>	<u>410,902</u>
Operating Expenses			
Personnel services	1,658,300	1,600,847	57,453
Contractual services	1,360,439	1,349,451	10,988
Commodities	555,644	539,002	16,642
Capital expense	1,614,051	1,303,743	310,308
Total operating expenses	<u>5,188,434</u>	<u>4,793,043</u>	<u>395,391</u>
Operating loss	<u>(2,055,212)</u>	<u>(1,248,919)</u>	<u>806,293</u>
Nonoperating revenues (expenses)			
Income on investments	-	11,042	11,042
Disposition of assets	-	87,070	87,070
Issuance of debt	1,101,069	1,101,068	(1)
Total nonoperating revenues (expenses)	<u>1,101,069</u>	<u>1,199,180</u>	<u>98,111</u>
Loss before transfers	(954,143)	(49,739)	904,404
Transfers in	579,143	579,143	-
Change in net position	<u>\$ (375,000)</u>	<u>529,404</u>	<u>\$ 904,404</u>
Adjustments to GAAP basis			
Debt			
Principal payments		544,106	
Issuance of leases		(1,101,068)	
Amortization of prepaid bond sale expense		(2,901)	
Amortization of premiums and discounts		4,827	
Accrued interest adjustment		(16,691)	
Capital assets			
Acquisitions		1,253,916	
Capital contributions		8,322	
Depreciation		(508,498)	
Inventories		3,733	
General leave accrual		(20,251)	
Change in net position, GAAP basis		<u>\$ 694,899</u>	

CITY OF WESTMINSTER, COLORADO
 BUDGETARY COMPARISON SCHEDULE
 WESTMINSTER HOUSING AUTHORITY
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Rentals	\$ 20	\$ 20	\$ -
Total operating revenues	<u>20</u>	<u>20</u>	<u>-</u>
Operating expenses			
Contractual services	25,268	24,244	1,024
Commodities	3,242	3,242	-
Total operating expenses	<u>28,510</u>	<u>27,486</u>	<u>1,024</u>
Operating loss	<u>(28,490)</u>	<u>(27,466)</u>	<u>1,024</u>
Nonoperating revenues (expenses)			
Income on investments	-	6,891	6,891
Other	-	9,278	9,278
Total nonoperating revenues (expenses)	<u>-</u>	<u>16,169</u>	<u>16,169</u>
Change in net position	<u>\$ (28,490)</u>	<u>(11,297)</u>	<u>\$ 17,193</u>
Adjustments to GAAP basis			
Capital assets			
Net book value of disposals		94,666	
Capital contributions		265,692	
Depreciation		(57,180)	
Change in net position, GAAP Basis		<u>\$ 291,881</u>	

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CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2014

	Governmental Activities Internal Service Funds				Total
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 272,332	\$ 287,776	\$ 238,340	\$ 190,054	\$ 988,502
Cash and cash equivalents with fiscal agent	169,797	-	-	-	169,797
Investments	5,174,311	5,467,753	4,528,462	3,611,034	18,781,560
Receivables:					
Interest	15,775	16,687	13,843	11,000	57,305
Prepaid items	-	-	2,700	-	2,700
Total current assets	<u>5,632,215</u>	<u>5,772,216</u>	<u>4,783,345</u>	<u>3,812,088</u>	<u>19,999,864</u>
Noncurrent assets:					
Capital assets:					
Depreciable assets, net	-	-	-	6,050,515	6,050,515
Total assets	<u>5,632,215</u>	<u>5,772,216</u>	<u>4,783,345</u>	<u>9,862,603</u>	<u>26,050,379</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other	396,369	66,425	15,684	42,219	520,697
Accrued liabilities	747	-	1,383	-	2,130
Lease payable, current portion	-	-	-	312,930	312,930
Other liabilities, current portion	1,233	-	5,060	-	6,293
Accrued interest	-	-	-	17,626	17,626
Estimated claims	628,547	172,141	316,453	-	1,117,141
Total current liabilities	<u>1,026,896</u>	<u>238,566</u>	<u>338,580</u>	<u>372,775</u>	<u>1,976,817</u>
Noncurrent liabilities:					
Leases payable	-	-	-	816,716	816,716
Other liabilities payable	17,625	-	5,234	-	22,859
Total noncurrent liabilities	<u>17,625</u>	<u>-</u>	<u>5,234</u>	<u>816,716</u>	<u>839,575</u>
Total liabilities	<u>1,044,521</u>	<u>238,566</u>	<u>343,814</u>	<u>1,189,491</u>	<u>2,816,392</u>
NET POSITION					
Net investment in capital assets	-	-	-	4,879,455	4,879,455
Unrestricted	4,587,694	5,533,650	4,439,531	3,793,657	18,354,532
Total net position	<u>\$ 4,587,694</u>	<u>\$ 5,533,650</u>	<u>\$ 4,439,531</u>	<u>\$ 8,673,112</u>	<u>\$ 23,233,987</u>

CITY OF WESTMINSTER, COLORADO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Activities Internal Service Funds				Total
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Operating revenues					
Charges for services	\$ 12,167,522	\$ 1,002,988	\$ 1,401,811	\$ 2,308,657	\$ 16,880,978
Total operating revenues	<u>12,167,522</u>	<u>1,002,988</u>	<u>1,401,811</u>	<u>2,308,657</u>	<u>16,880,978</u>
Operating expenses					
Personnel services	96,249	1,939	171,149	-	269,337
Contractual services	1,539,430	154,082	569,885	-	2,263,397
Commodities	10,085	4,100	1,277	-	15,462
Capital expense	-	-	-	137,715	137,715
Insurance and other expenses	10,050,780	502,984	487,434	-	11,041,198
Depreciation	-	-	-	1,492,579	1,492,579
Total operating expenses	<u>11,696,544</u>	<u>663,105</u>	<u>1,229,745</u>	<u>1,630,294</u>	<u>15,219,688</u>
Operating income (loss)	<u>470,978</u>	<u>339,883</u>	<u>172,066</u>	<u>678,363</u>	<u>1,661,290</u>
Nonoperating revenues (expenses)					
Income on investments	50,012	56,507	47,753	34,037	188,309
Interest expense	-	-	-	(26,598)	(26,598)
Gain on disposition of capital assets	-	-	-	71,130	71,130
Total nonoperating revenues (expenses)	<u>50,012</u>	<u>56,507</u>	<u>47,753</u>	<u>78,569</u>	<u>232,841</u>
Income before transfers	520,990	396,390	219,819	756,932	1,894,131
Transfers in	76,830	-	-	-	76,830
Change in net position	597,820	396,390	219,819	756,932	1,970,961
Net position - beginning	3,989,874	5,137,260	4,219,712	7,916,180	21,263,026
Net position - ending	<u>\$ 4,587,694</u>	<u>\$ 5,533,650</u>	<u>\$ 4,439,531</u>	<u>\$ 8,673,112</u>	<u>\$ 23,233,987</u>

CITY OF WESTMINSTER, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Governmental Activities				Total
	Internal Service Funds				
	Medical and Dental Self- Insurance	Workers' Compensation Self-Insurance	Property and Liability Self- Insurance	General Capital Outlay Replacement	
Cash flows from operating activities:					
Receipts from interfund charges for risk management services	\$ 12,167,522	\$ 42,933	\$ 103,348	\$ -	\$ 12,313,803
Receipts from interfund charges for capital outlay replacement	-	-	-	2,308,657	2,308,657
Cash payments to employees for services	(93,496)	(1,939)	(168,644)	-	(264,079)
Cash payments to suppliers for goods and services	(11,257,968)	(577,993)	(1,069,923)	(139,089)	(13,044,973)
Payments from other funds	-	960,055	1,298,463	-	2,258,518
Net cash provided by (used in) operating activities	<u>816,058</u>	<u>423,056</u>	<u>163,244</u>	<u>2,169,568</u>	<u>3,571,926</u>
Cash flows from noncapital financing activities:					
Transfer in	76,830	-	-	-	76,830
Net cash provided by (used in) noncapital financing activities	<u>76,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,830</u>
Cash flows from capital and related financing activities:					
Principal paid on long term debt	-	-	-	(394,573)	(394,573)
Interest paid on long term debt	-	-	-	(34,684)	(34,684)
Acquisition and construction of capital assets	-	-	-	(1,177,496)	(1,177,496)
Proceeds from sale of capital assets	-	-	-	68,652	68,652
Net cash provided (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,538,101)</u>	<u>(1,538,101)</u>
Cash flow from investing activities:					
Proceeds from sale of investments	2,344,755	2,657,194	2,241,597	1,601,414	8,844,960
Purchases of investments	(3,242,230)	(3,119,936)	(2,448,663)	(2,224,419)	(11,035,248)
Interest received on investments	54,790	63,497	54,255	24,657	197,199
Net cash provided by (used in) investing activities	<u>(842,685)</u>	<u>(399,245)</u>	<u>(152,811)</u>	<u>(598,348)</u>	<u>(1,993,089)</u>
Net increase (decrease) in cash and cash equivalents	50,203	23,811	10,433	33,119	117,566
Cash and cash equivalents - beginning of year	<u>391,926</u>	<u>263,965</u>	<u>227,907</u>	<u>156,935</u>	<u>1,040,733</u>
Cash and cash equivalents - end of year	<u>\$ 442,129</u>	<u>\$ 287,776</u>	<u>\$ 238,340</u>	<u>\$ 190,054</u>	<u>\$ 1,158,299</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	<u>\$ 470,978</u>	<u>\$ 339,883</u>	<u>\$ 172,066</u>	<u>\$ 678,363</u>	<u>\$ 1,661,290</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	1,492,579	1,492,579
(Increase) decrease in prepaid items	15,518	-	18,702	-	34,220
Increase (decrease) in accounts payable and other	196,390	43,736	(35,185)	(1,374)	203,567
Increase (decrease) in accrued liabilities	2,753	-	(233)	-	2,520
Increase (decrease) in estimated claims	130,419	39,437	7,894	-	177,750
Total adjustments	<u>345,080</u>	<u>83,173</u>	<u>(8,822)</u>	<u>1,491,205</u>	<u>1,910,636</u>
Net cash provided by (used in) operating activities	<u>\$ 816,058</u>	<u>\$ 423,056</u>	<u>\$ 163,244</u>	<u>\$ 2,169,568</u>	<u>\$ 3,571,926</u>

Non-cash investing, capital, and financing activities:

- * The unrecognized gain recorded to value the non-cash investments of the City's internal service funds to fair market value was \$34,509.
- * Accrued interest decreased for the General Capital Outlay Replacement Internal Service Fund by \$8,086.
- * Accounts payable used to acquire capital assets decreased by \$298,093 for the General Capital Outlay Replacement Internal Service Fund.
- * The General Capital Outlay Internal Service Fund disposed capital assets at a gain of \$2,478.

**CITY OF WESTMINSTER, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL OUTLAY REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for services	\$ 2,308,657	\$ 2,308,657	\$ -
Total operating revenues	<u>2,308,657</u>	<u>2,308,657</u>	<u>-</u>
Operating expenses			
Capital expense	4,676,450	1,315,211	3,361,239
Total operating expenses	<u>4,676,450</u>	<u>1,315,211</u>	<u>3,361,239</u>
Operating income (loss)	<u>(2,367,793)</u>	<u>993,446</u>	<u>3,361,239</u>
Nonoperating revenues (expenses)			
Income on investments	-	34,037	34,037
Debt service	(429,257)	(421,171)	8,086
Disposition of assets	-	75,902	75,902
Total nonoperating revenues (expenses)	<u>(429,257)</u>	<u>(311,232)</u>	<u>118,025</u>
Change in net position	<u>\$ (2,797,050)</u>	<u>682,214</u>	<u>\$ 3,479,264</u>
Adjustments to GAAP basis			
Debt			
Principal payments		394,573	
Capital assets			
Acquisitions		1,177,496	
Net book value of disposals		(4,772)	
Depreciation		<u>(1,492,579)</u>	
Change in Net Position, GAAP Basis		<u>\$ 756,932</u>	

STATISTICAL SECTION (Unaudited)

Table

Financial Trends Information

These schedules contain trend information to help the reader understand how the city's financial performance and wellbeing are changed over time.

Net Position by Component	1
Changes in Net Position	2
Fund Balance of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4

Revenue Capacity Information

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales and use tax.

Sales and Use Tax Revenue	5
Direct and Overlapping Sales and Use Tax Rates	6
Principal Sales and Use Taxpayers by Industry	7

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	8
Direct and Overlapping Governmental Activities Debt	9
Legal Debt Margin Information	10
Pledged Revenue Coverage	11

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the city's financial activity take place.

Demographic and Economic Statistics	12
Principal Employers	13

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Full Time Equivalent City Government Employees by Function/Program	14
Operating Indicators by Function/Program	15
Capital Asset Statistics by Function/Program	16

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Table 1
City of Westminster **Net Position by Component**
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 203,103,757	\$ 181,518,179	\$ 176,064,347	\$ 167,459,905	\$ 166,119,255	\$ 158,875,846	\$ 160,998,545	\$ 177,034,028	\$ 174,180,185	\$ 198,949,426
Restricted	27,825,584	34,508,098	32,889,201	35,378,439	32,828,397	36,445,526	30,686,285	30,387,925	45,756,100	3,978,822
Unrestricted	118,324,325	107,275,937	96,304,116	91,201,675	78,848,530	67,848,480	72,256,476	62,116,184	32,614,076	53,798,749
Total governmental activities net position	\$ 349,253,666	\$ 323,302,214	\$ 305,257,664	\$ 294,040,019	\$ 277,796,182	\$ 263,169,852	\$ 263,941,306	\$ 269,538,137	\$ 252,550,361	\$ 256,726,997
Business-type activities										
Net investment in capital assets	\$ 353,498,654	\$ 343,060,522	\$ 336,924,153	\$ 337,605,101	\$ 336,344,413	\$ 329,710,391	\$ 343,627,745	\$ 321,320,685	\$ 296,968,005	\$ 288,116,734
Restricted	5,132,572	5,207,324	5,206,778	5,484,664	5,483,098	5,486,422	3,424,753	3,406,636	3,384,483	3,371,769
Unrestricted	89,037,701	86,956,838	81,540,256	64,814,804	55,893,678	58,676,671	73,164,925	83,341,972	96,573,378	81,944,889
Total business-type activities net position	\$ 447,668,927	\$ 435,224,684	\$ 423,671,187	\$ 407,904,569	\$ 397,721,189	\$ 393,873,484	\$ 420,217,423	\$ 408,069,293	\$ 396,925,866	\$ 373,433,392
Total										
Net investment in capital assets	\$ 556,602,411	\$ 524,578,701	\$ 512,988,500	\$ 505,065,006	\$ 502,463,668	\$ 488,586,237	\$ 504,626,290	\$ 498,354,713	\$ 471,148,190	\$ 487,086,160
Restricted	32,958,156	39,715,422	38,095,979	40,863,103	38,311,495	41,931,948	34,111,038	33,794,561	49,140,583	7,350,591
Unrestricted	207,362,026	194,232,775	177,844,372	156,016,479	134,742,208	126,525,151	145,421,401	145,458,156	129,187,454	135,743,638
Total net position	\$ 796,922,593	\$ 758,526,898	\$ 728,928,851	\$ 701,944,588	\$ 675,517,371	\$ 657,043,336	\$ 684,158,729	\$ 677,607,430	\$ 649,476,227	\$ 630,160,389

Note: Prior year transactions affecting the beginning Net Position were restated in the reporting year as follows:
 2006: \$401,667 decrease GCORF depreciation expense, \$1,098,603 Utility Fund increase construction expense, \$1,132,332 Governmental Activities decrease depreciation expense, \$8,889,537 increase construction expense, \$632,455 decrease loss on disposal of assets.
 2005: \$535,927 Government Activities accreted interest subtracted from capital lease payable.

Table 2
City of Westminster
Changes in Net Position
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities:										
General government	\$ 37,225,374	\$ 38,096,012	\$ 35,878,873	\$ 35,365,276	\$ 37,650,090	\$ 36,876,436	\$ 37,827,492	\$ 30,083,440	\$ 26,755,382	\$ 28,375,433
Public safety	33,917,996	34,701,963	32,690,106	31,572,328	31,705,261	31,552,454	31,797,184	30,077,636	29,526,569	28,211,005
Public works	14,967,446	14,526,130	14,484,672	10,278,949	14,468,243	13,941,301	13,748,911	14,501,794	14,385,925	7,793,659
Community development	9,253,118	10,053,995	10,294,204	14,367,026	12,014,109	12,454,872	17,656,461	14,059,071	24,290,269	14,849,423
Culture and recreation	23,345,230	20,547,209	21,450,331	17,403,563	17,608,348	20,368,098	17,307,667	17,829,533	11,481,246	13,498,043
Interest and fiscal charges	6,586,443	7,012,596	6,697,736	6,952,116	7,803,642	8,449,810	7,845,618	7,394,096	9,052,813	2,964,876
Refunding issuance costs	-	157,626	-	-	-	-	-	-	-	-
Unallocated depreciation	304,769	308,894	309,553	347,847	443,359	479,427	488,012	1,095,078	1,099,897	11,354,543
Total governmental activities expenses	125,600,376	125,404,425	121,805,475	116,287,105	121,693,052	124,122,398	126,671,345	115,040,648	116,592,101	107,046,982
Business-type activities:										
Utility	44,811,783	43,302,750	44,861,022	42,845,082	44,664,016	48,678,931	45,569,405	40,329,042	37,840,442	30,937,189
Golf	3,528,224	3,809,085	3,354,014	3,389,873	3,526,264	4,017,357	4,128,726	3,410,562	3,301,699	3,171,327
Westminster Building Authority	84,666	106,956	696,930	792,691	1,243,300	922,689	969,722	995,606	947,135	1,325,012
Westminster Housing Authority	48,424,673	47,218,791	48,911,966	47,027,646	49,433,580	53,618,977	50,667,853	44,735,210	42,089,276	35,502,087
Total business-type activities expenses	174,025,049	172,623,216	170,717,441	163,314,751	171,126,632	177,741,375	177,339,198	159,775,858	158,681,377	142,549,069
Program Revenues										
Governmental activities:										
Charges for services:										
General government	4,150,020	4,883,189	4,055,921	3,737,240	6,116,547	4,497,892	5,666,074	7,432,044	5,319,186	5,591,578
Public safety	4,031,642	4,204,733	4,507,902	4,550,427	4,160,047	4,225,333	4,096,692	4,053,890	4,498,935	4,195,334
Public works	2,026,345	1,630,161	1,810,028	1,744,118	1,419,414	1,777,317	1,527,937	-	-	-
Community development	358,835	190,322	(12,469)	186,524	297,219	400,784	246,084	77,884	117,934	178,163
Culture and recreation	7,368,157	6,765,100	6,747,706	6,550,418	7,139,822	6,249,434	6,908,729	5,753,903	6,297,123	5,913,673
Operating grants and contributions	7,792,918	6,266,173	6,669,118	6,550,602	4,496,790	4,300,000	5,486,482	5,748,908	5,329,834	4,165,796
Capital grants and contributions	14,107,955	15,133,416	9,309,177	9,094,638	11,701,408	7,113,267	8,736,385	14,261,659	10,067,149	10,400,100
Total program revenues	39,835,872	39,073,094	33,087,383	32,413,967	35,331,247	28,564,027	32,668,383	37,328,288	31,630,161	30,444,644
Business-type activities:										
Charges for services:										
Utility	47,890,317	45,097,929	49,243,639	44,227,706	43,638,168	37,785,693	41,355,962	37,009,477	37,639,880	34,574,051
Golf	3,427,107	3,090,119	3,141,318	2,679,816	2,682,977	2,730,028	3,137,704	3,197,655	2,993,881	2,932,389
Westminster Building Authority	-	-	723,307	944,917	942,564	920,327	901,313	902,899	887,721	878,870
Westminster Housing Authority	-	-	36,435	-	1,972	-	-	-	-	-
Operating grants and contributions	7,060,781	9,313,996	5,460,466	7,589,453	4,221,676	3,534,458	12,590,561	7,809,021	15,704,276	14,934,514
Capital grants and contributions	58,378,205	57,503,739	58,605,165	55,441,892	51,487,357	44,970,506	57,985,540	48,919,052	57,225,758	53,335,479
Total business-type activities program revenues	98,214,077	96,576,833	91,692,548	87,855,859	86,818,604	73,534,533	90,653,923	86,247,340	88,855,919	83,780,123
Net (expense)/revenue										
Governmental activities	(85,764,504)	(86,331,331)	(88,718,092)	(83,873,138)	(86,361,805)	(95,558,371)	(94,002,962)	(77,712,360)	(84,961,940)	(76,602,338)
Business-type activities	9,953,532	10,284,948	9,693,199	8,414,246	2,053,777	(8,648,471)	7,317,687	4,183,842	15,136,482	17,833,392
Total primary government net expense	(75,810,972)	(76,046,383)	(79,024,893)	(75,458,892)	(84,308,028)	(104,206,842)	(86,685,275)	(73,528,518)	(69,825,458)	(58,768,946)

Table 2 (continued)
City of Westminster
Changes in Net Position
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	13,535,334	12,947,197	12,891,503	13,334,489	13,326,123	10,737,251	9,020,419	6,348,656	5,272,024	4,600,304
Sales taxes	72,699,403	68,712,125	65,544,298	64,746,106	66,078,878	63,634,222	65,369,753	60,290,173	56,725,466	54,419,354
Use taxes	14,797,452	14,110,138	11,946,218	11,614,488	11,432,450	10,382,385	12,436,326	13,610,159	12,634,095	11,683,748
Business fees and other taxes	5,745,800	5,587,433	5,275,222	5,342,892	5,092,047	4,797,606	5,137,132	4,556,637	4,300,682	4,185,604
Accommodations taxes	3,478,033	2,905,893	2,427,226	2,365,444	2,231,693	2,045,874	2,627,010	1,425,434	1,239,740	1,078,023
Intergovernmental not restricted to a specific purpose	224,580	672,693	672,172	673,423	1,612,345	1,360,925	1,079,951	1,052,427	1,060,315	818,642
Assessments	-	2,000	6,000	2,000	-	-	-	-	-	-
Interest	996,457	139,218	811,117	913,339	1,261,427	1,979,580	6,043,261	6,496,200	5,760,231	3,087,962
Rentals	409,143	409,789	470,674	569,867	-	-	-	-	-	-
Other	257,781	1,084,214	35,000	273,002	-	597,423	1,420,276	1,980,122	2,152,680	991,884
Gain on Sale of Assets	71,130	-	21,879	632,142	809,511	-	604,571	-	-	-
Special Item	-	-	-	-	-	-	(14,825,447)	-	-	-
Transfers	(499,157)	(774,544)	(165,572)	(350,207)	(856,339)	(748,349)	(507,121)	(1,059,672)	(1,035,000)	5,521,091
Total governmental activities	111,715,956	105,796,156	99,935,737	100,116,975	100,988,135	94,786,917	88,406,131	94,700,136	88,110,233	86,386,612
Business-type activities:										
Interest	860,924	32,742	840,406	901,668	670,337	1,177,710	3,978,172	5,899,913	4,325,952	1,802,480
Rentals	20	587	839	-	-	-	-	-	-	-
Other	948,874	883,951	1,190,155	517,259	267,252	-	-	-	-	17,546
Gain on Sale of Assets	181,736	98,245	-	-	-	1,019	895,150	-	4,093,643	-
Special Item	-	-	3,876,447	-	-	-	-	-	-	-
Transfers	499,157	774,544	165,572	350,207	856,339	748,349	507,121	1,059,672	1,035,000	(5,521,091)
Total business-type activities	2,490,711	1,790,069	6,073,419	1,769,134	1,793,928	1,927,078	5,380,443	6,959,585	9,454,595	(3,701,065)
Total	114,206,667	107,586,225	106,009,156	101,886,109	102,782,063	96,713,995	93,786,574	101,659,721	97,564,828	82,685,547
Change in net position										
Governmental activities	25,951,452	19,464,825	11,217,645	16,243,837	14,626,330	(771,454)	(5,596,831)	16,987,776	3,148,293	9,784,274
Adjustment for accounting change	-	(1,420,275)	-	-	-	-	-	-	-	-
Business-type activities	12,444,243	12,075,017	15,766,618	10,183,380	3,847,705	(6,721,393)	12,698,130	11,143,427	24,591,077	14,132,327
Adjustment for accounting change	-	(521,520)	-	-	-	-	-	-	-	-
Total	\$ 38,395,695	\$ 29,598,047	\$ 26,984,263	\$ 26,427,217	\$ 18,474,035	\$ (7,492,847)	\$ 7,101,299	\$ 28,131,203	\$ 27,739,370	\$ 23,916,601

Note: Prior period adjustments affecting expenses are noted in Table 1
2013: Adjustment for accounting change due to implementation of GASB 65.

Table 3
City of Westminster

Fund Balances, Governmental Funds
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund										
Reserved					\$ 7,220,548	\$ 4,971,225	\$ 5,299,062	\$ 5,203,223	\$ 6,539,253	\$ 7,623,125
Unreserved					11,628,557	14,873,895	12,045,241	9,859,229	11,015,978	10,172,500
Nonspendable	\$ 934,588	\$ 887,569	\$ 943,056	\$ 1,060,299						
Restricted	5,145,534	5,177,644	4,849,535	4,822,404						
Committed	-	-	-	-						
Assigned	6,118,523	5,732,552	5,843,851	5,802,983						
Unassigned	25,115,741	18,960,092	17,795,609	15,243,510						
Total general fund	\$37,314,386	\$30,757,857	\$29,432,051	\$26,929,196	\$18,849,105	\$19,845,120	\$17,344,303	\$15,062,452	\$17,555,231	\$17,795,625
All other governmental funds										
Reserved					\$ 53,287,957	\$ 32,504,877	\$ 49,434,107	\$ 55,624,752	\$ 41,493,854	\$ 51,749,047
Unreserved, reported in:										
Special revenue funds					11,702,434	9,959,421	10,975,428	12,304,218	7,472,186	14,949,783
Capital project funds					17,652,289	35,179,303	46,104,714	41,475,007	33,713,081	47,985,815
Nonspendable										
Restricted	\$ 31,630,640	\$ 31,226,133	\$ 32,351,416	\$ 27,391,523						
Committed	22,539,782	29,425,771	30,475,367	32,119,519						
Assigned	36,473,901	34,204,717	29,391,324	24,387,010						
Unassigned	279,822	306,482	460,677	338,688						
	(455,532)	(621,910)	(382,694)	(754,471)						
Total all other governmental funds	\$90,468,613	\$94,541,193	\$92,296,090	\$83,482,269	\$82,642,680	\$77,643,601	\$106,514,249	\$109,403,977	\$82,679,121	\$114,684,645

Note: In 2011 GASB 54 was implemented with new fund balance classifications.

Table 4
City of Westminster
Changes in Fund Balance, Governmental Funds
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes and business fees	\$110,256,022	\$104,262,786	\$98,084,467	\$97,403,409	\$98,161,191	\$91,597,338	\$94,590,640	\$86,231,059	\$80,172,007	\$76,079,765
Intergovernmental	14,666,756	13,444,290	13,363,386	14,690,316	14,485,838	13,354,111	14,316,029	12,626,793	14,815,789	9,821,702
Assessments	39,444	41,199	45,935	43,361	41,905	46,471	42,886	149,199	160,425	932,647
Licenses and permits	2,459,437	2,653,281	2,006,610	1,824,264	1,708,941	1,127,900	2,133,832	2,654,027	2,616,662	2,101,468
Interest	830,006	139,740	828,450	937,931	1,265,429	2,029,458	6,102,824	6,554,612	5,781,155	3,119,849
Rentals	409,143	425,569	476,399	569,867	-	-	-	-	-	-
Contributions	2,561,733	3,389,088	2,846,572	2,893,030	2,444,022	341,739	771,595	4,349,528	1,460,160	4,850,163
Recreation fees	7,379,510	6,788,407	6,751,616	6,443,748	6,372,404	5,766,441	6,379,855	5,735,111	5,867,809	5,311,991
Fines and forfeits	1,587,334	1,868,895	2,010,118	2,251,882	2,077,598	2,066,013	1,977,465	2,164,544	2,512,044	2,222,848
Fleet maintenance billings and other	4,374,067	4,508,886	4,529,238	4,442,594	5,427,769	6,544,888	6,886,037	5,058,804	3,699,601	3,425,398
EMS billings	2,178,911	2,173,899	2,357,911	2,016,677	2,031,040	1,858,670	2,026,555	2,020,583	1,937,237	1,814,999
Miscellaneous and other	358,555	810,454	127,277	317,947	128,456	336,893	973,939	80,040	10,737	376,850
Total revenues	147,100,918	140,506,294	133,427,979	133,835,026	134,144,593	125,069,922	136,201,657	127,624,300	119,033,626	110,057,380
Expenditures										
Current:										
General government	42,189,889	42,191,325	41,025,193	40,160,148	39,544,389	38,893,287	38,981,777	32,017,213	29,101,545	29,270,288
Public safety	32,882,207	33,173,549	31,434,925	30,521,418	30,409,003	30,241,887	30,411,901	28,794,062	28,183,148	27,315,730
Public works	7,589,559	7,398,650	7,210,468	3,280,134	7,391,466	6,754,884	6,753,727	7,238,076	7,071,716	6,506,687
Community development	5,442,684	5,746,886	5,416,821	8,948,499	7,090,959	4,647,250	9,807,146	6,634,975	15,393,627	6,608,216
Culture and recreation	14,964,860	14,186,013	13,674,664	13,047,644	13,771,317	14,036,487	14,009,673	13,456,076	12,868,421	12,407,022
Capital projects	25,199,894	17,487,657	11,361,038	13,070,798	19,731,978	32,958,628	26,018,509	29,413,964	49,866,552	45,506,648
Debt service:										
Principal	10,790,000	14,651,000	11,635,000	12,585,000	8,720,000	15,538,875	4,920,000	5,480,000	5,240,000	14,411,670
Interest and fiscal charges	5,313,893	5,769,157	9,816,176	6,584,681	6,973,932	7,883,680	7,519,672	7,278,409	8,706,148	7,570,896
Issuance costs	-	157,626	383,516	-	483,318	1,003,757	-	1,558,275	-	-
Total expenditures	144,372,986	140,761,863	131,957,801	128,198,322	134,116,362	151,958,735	138,422,405	131,871,050	156,431,157	149,597,157
Excess of revenues over (under) expenditures	2,727,932	(255,569)	1,470,178	5,636,704	28,231	(26,888,813)	(2,220,748)	(4,246,750)	(37,397,531)	(39,539,777)
Other financing Sources (Uses)										
Issuance of bonds	-	11,095,000	5,812,724	-	1,134,410	535,337	-	29,485,488	-	68,300,000
Issuance of notes	-	-	-	3,500,000	-	-	-	-	-	-
Issuance of leases	-	-	-	-	2,575,190	562,530	32,792	40,626	5,045,733	20,651,235
Issuance of refunding debt	-	-	96,366,606	-	-	-	-	-	-	-
Premium on refunding debt	-	1,167,165	1,756,197	-	-	-	-	-	-	-
Discount on refunding debt	-	-	(67,028)	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(12,065,594)	(94,287,102)	-	-	-	-	-	-	-
Sale of capital asset	57,990	848,454	43,519	50,770	1,121,572	169,464	1,071,525	702,109	1,140,880	5,484,526
Transfers in	19,439,703	23,123,984	15,240,547	21,348,099	92,160,117	67,485,765	75,333,568	72,740,073	71,995,567	85,070,154
Transfers (out)	(19,741,676)	(20,342,531)	(15,018,965)	(21,615,893)	(93,016,456)	(68,234,114)	(75,840,689)	(74,489,469)	(73,030,567)	(83,785,646)
Total other financing sources (uses)	(243,983)	3,826,478	9,846,498	3,282,976	3,974,833	518,982	597,196	28,478,827	5,151,613	95,720,269
Net change in fund balances	\$ 2,483,949	\$ 3,570,909	\$ 11,316,676	\$ 8,919,680	\$ 4,003,064	\$(26,369,831)	\$(1,623,552)	\$ 24,232,077	\$(32,245,918)	\$ 56,180,492
Debt Service as a percentage of non-capital expenditures	12.9%	16.0%	17.2%	16.4%	13.4%	18.4%	10.5%	11.6%	12.6%	23.5%

Table 5
City of Westminster
Sales and Use Tax Revenue
Last ten fiscal years

Fiscal Year	City Sales and Use Tax	Public Safety Sales and Use Tax ¹	Open Space Sales and Use Tax ²	Total Direct Tax Rate
2005	\$ 51,359,026	\$ 10,353,701	\$ 4,390,375	3.85%
2006	53,640,060	11,040,410	4,679,093	3.85%
2007	56,966,362	11,927,367	5,006,603	3.85%
2008	60,528,509	12,196,830	5,080,740	3.85%
2009	57,689,143	11,526,170	4,801,294	3.85%
2010	60,677,400	11,832,426	5,001,503	3.85%
2011	59,520,797	11,887,799	4,951,978	3.85%
2012	60,408,927	12,058,508	5,023,081	3.85%
2013	64,567,679	12,886,561	5,368,023	3.85%
2014	68,180,777	13,635,955	5,680,123	3.85%

Source: City Sales Tax Division

¹ The Public Safety Sales and Use Tax was implemented January 1, 2004.

² The Open Space Sales and Use Tax was implemented January 1, 1985.

Table 6
City of Westminster
Direct and Overlapping Sales and Use Tax Rates
Last ten fiscal years

Fiscal Year	City Direct Rates				Overlapping Rates ³		
	City Sales and Use Tax	Public Safety Sales and Use Tax ¹	Open Space Sales and Use Tax ²	Total Direct Tax Rate	Adams County Sales Tax	Jefferson County Sales Tax	RTD/CD/FD Sales Tax
	2005	3.00%	0.60%	0.25%	3.85%	0.70%	0.50%
2006	3.00%	0.60%	0.25%	3.85%	0.70%	0.50%	1.20%
2007	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2008	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2009	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2010	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2011	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.20%
2012	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.10%
2013	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.10%
2014	3.00%	0.60%	0.25%	3.85%	0.75%	0.50%	1.10%

Source: City Sales Tax Division

¹ The Public Safety Sales and Use Tax was implemented January 1, 2004.

² The Open Space Sales and Use Tax was implemented January 1, 1985.

³ Overlapping rates are those of county governments and tax districts within the City of Westminster. Not all overlapping rates apply to all sales transactions.

**Table 7
City of Westminster
Principal Sales and Use Tax Payers by Category
Current Year and Nine Years Ago**

Category	Fiscal Year 2014			Fiscal Year 2005		
	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax	Sales and Use Tax Amount	Rank	Percentage of Total City Sales and Use Tax
Department and Discount Stores	\$ 19,033,606	1	21.8%	\$ 12,326,556	1	18.6%
Utility/Telecommunications	10,380,953	2	11.9%	8,100,104	2	12.3%
Restaurants	9,762,034	3	11.2%	6,544,254	4	9.9%
Automobile	7,735,605	4	8.8%	6,575,637	3	9.9%
Building/Home Improvement	6,314,343	5	7.2%	5,474,285	6	8.3%
Grocery	5,211,433	6	6.0%	5,607,138	5	8.5%

Source: City Sales Tax Division

Note: Due to requirements under the City Code, the names of the largest revenue payers are held as confidential. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Table 8
City of Westminster

Ratios of Outstanding Debt by Type
Last ten fiscal years

Fiscal Year	Governmental Activities					Business-Type Activities					Percentage of Personal Income ¹ Per Capita ¹	
	Revenue Bonds	Tax Incremental Bonds	Special Assessment Bonds	Capital Leases	Notes	Revenue Bonds	Capital Leases	Notes	Total Primary Government	Income ¹	Per Capita ¹	
2005	\$64,730,000	\$112,970,000	\$ -	\$85,369,906	\$ -	\$27,850,000	\$1,939,127	\$42,281,591	\$335,140,624	8.4%	3,093	
2006	59,775,000	112,685,000	-	86,810,539	-	25,900,000	2,250,782	40,327,316	327,748,637	7.8%	2,988	
2007	74,330,000	120,485,000	-	83,852,128	-	23,880,000	2,507,662	38,068,147	343,122,937	7.9%	3,127	
2008	69,740,000	120,155,000	-	80,627,717	-	15,945,000	835,300	35,915,842	323,218,859	7.2%	2,905	
2009	64,955,000	110,055,000	-	76,826,446	-	14,075,000	1,075,366	33,366,040	300,352,852	7.0%	2,747	
2010	60,300,000	105,990,000	-	76,667,485	-	37,090,000	5,390,622	31,258,393	316,696,500	6.9%	2,727	
2011	55,465,000	101,740,000	-	72,008,017	-	35,310,000	4,934,076	28,644,252	298,101,345	6.7%	2,719	
2012	50,485,000	101,420,000	-	66,119,057	1,612,724	33,460,000	4,377,176	23,629,405	281,103,362	6.3%	2,604	
2013	45,330,000	92,049,000	-	60,912,710	1,612,724	31,530,000	4,429,114	20,622,014	256,485,562	5.7%	2,343	
2014	39,850,000	86,739,000	-	54,725,665	1,612,724	29,505,000	4,986,076	17,957,768	235,376,233	5.0%	2,122	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹Personal income and population data can be found on Table 12.

Table 9
City of Westminster
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Adams County School District #12	\$ 265,071,599	27.04%	\$ 71,675,360
Adams County School District #50	81,525,000	45.97%	37,477,043
Apex Park & Rec District	4,965,000	6.43%	319,250
Arvada Fire Protection District	9,247,000	13.02%	1,203,959
Bradburn Metro #2	2,850,000	100.00%	2,850,000
Bradburn Metro #3	6,985,000	100.00%	6,985,000
Church Ranch Metro District	2,290,000	99.94%	2,288,626
Country Club Highlands Metro District	2,055,000	100.00%	2,055,000
Country Club Village Metro District	2,950,000	100.00%	2,950,000
Countrydale Metropolitan District	24,458,000	98.85%	24,176,733
Huntington Trails Metro District	7,147,336	100.00%	7,147,336
Hyland Hills Park & Recreation	9,400,000	54.50%	5,123,000
Jefferson County School District R-1	446,045,000	8.11%	36,174,250
NBC Metropolitan District	1,415,000	99.99%	1,414,859
North Metro Fire and Rescue	20,995,000	0.14%	29,393
Southwest Adams Fire Protection District #2	192,770	0.02%	39
Westglenn Metro District	4,450,000	97.61%	4,343,645
Subtotal, overlapping debt			\$ 206,213,493
City Direct debt			182,927,389
Total direct and overlapping debt			\$ 389,140,882

Source: Assessed value data used to estimate applicable percentages provided by Adams County and Jefferson County Governments. Debt outstanding data provided by each governmental unit. City direct debt details can be found on Table 8.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident. And therefore responsible for repaying the debt, of each overlapping government.

Table 10
City of Westminster

Legal Debt Margin Information
Last ten fiscal years

Legal Debt Margin Calculation for Fiscal Year 2013

Actual value of taxable property ¹	\$ 5,777,518,940
Adams County portion of the City	4,139,055,985
Jefferson County portion of the City	<u>\$ 9,916,574,925</u>
Total actual value	
Debt limit (3% of actual value ²)	\$ 297,497,248
Debt applicable to limit:	
Bonded debt - general obligation only	\$ -
Installment of lease/purchase contracts for purchase of property or equipment ³	<u>59,711,741</u>
	<u>59,711,741</u>
Less deductions allowed by law:	<u>-</u>
Total net debt applicable to limit	<u>59,711,741</u>
Legal debt margin	<u>\$ 237,785,507</u>

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limit	\$ 297,497,248	\$ 298,199,061	\$ 294,623,453	\$ 296,197,301	\$ 305,686,451	\$ 306,001,998	\$ 315,072,736	\$ 311,178,234	\$ 300,968,004	\$ 295,891,298
Total net debt applicable to limit	59,711,741	65,341,824	70,496,233	76,942,093	82,058,107	77,901,812	85,685,000	83,852,128	86,810,539	85,369,906
Legal debt margin	<u>\$ 237,785,507</u>	<u>\$ 232,857,237</u>	<u>\$ 224,127,220</u>	<u>\$ 219,255,208</u>	<u>\$ 223,628,344</u>	<u>\$ 228,100,186</u>	<u>\$ 229,387,736</u>	<u>\$ 227,326,106</u>	<u>\$ 214,157,465</u>	<u>\$ 210,521,392</u>

Total net debt applicable to the limit as a percentage of debt limit	20.07%	21.91%	23.93%	25.98%	26.84%	25.46%	27.20%	26.95%	28.84%	28.85%
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¹ Source Adams County and Jefferson County Assessors' Offices
² CRS 31-15-302 (3% limit)
³ Included in general obligation indebtedness per Section 11.1 of City Charter

Table 11
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	Utilities Revenue Bonds							Coverage
	Applicable Revenues	Less:		Net Pledged Revenue	Debt Service			
		Operating Expenses			Principal	Interest		
2005	\$ 46,724,597	\$ (23,011,461)		\$ 23,713,136	\$ 3,400,839	\$ 1,931,352	4.45	
2006	51,879,413	(29,305,618)		22,573,795	3,832,679	2,393,501	3.63	
2007	47,716,690	(30,278,159)		17,438,531	3,947,987	2,148,085	2.86	
2008	52,890,292	(34,178,877)		18,711,415	9,913,352	2,159,562	1.55	
2009	38,962,225	(34,914,945)		4,047,280	3,913,088	1,821,361	0.71	
2010	45,945,519	(29,813,687)		16,131,832	4,055,665	2,446,814	2.48	
2011	50,529,479	(27,931,057)		22,598,422	4,190,557	3,006,017	3.14	
2012	54,605,982	(29,478,283)		25,127,699	4,337,883	2,852,651	3.49	
2013	52,903,911	(27,684,633)		25,219,278	4,501,875	2,690,433	3.51	
2014	53,326,893	(29,817,470)		23,509,423	4,678,308	2,509,611	3.27	

Fiscal Year	Golf Course Enterprise Revenue Bonds							Coverage
	Applicable Revenues	Less:		Net Pledged Revenue	Debt Service			
		Operating Expenses			Principal	Interest		
2005	\$ 2,932,389	\$ (2,461,158)		\$ 471,231	\$ 185,000	\$ 313,840	0.94	
2006	2,993,881	(2,587,855)		406,026	195,000	304,868	0.81	
2007	3,197,655	(2,625,270)		572,385	205,000	295,313	1.14	
2008	3,137,704	(2,848,731)		288,973	215,000	285,165	0.58	
*2009	2,730,028	(3,174,737)		(444,709)	225,000	274,415	(0.89)	
2010	-	-		-	-	-	0.00	
2011	-	-		-	-	-	0.00	
2012	-	-		-	-	-	0.00	
2013	-	-		-	-	-	0.00	
2014	-	-		-	-	-	0.00	

Notes: * Refunded in 2010 as part of the 2010 COPs issue.
 Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 Sales and Use Tax and Parks Open Space Sales and Use Tax stated on a cash basis; all other revenues stated on accrual basis.

Source: City's Treasury Division

Table 11 (continued)
City of Westminster

Pledged Revenue Coverage
Last ten fiscal years

Fiscal Year	Sales and Use Tax Revenue Bonds							Coverage
	Sales and Use Tax Collections	Less:			Net Pledged Revenue	Debt Service		
		Operating Expenses	Principal	Interest		Principal	Interest	
2005	\$ 49,659,495	\$ (279,048)	\$ 49,380,447	\$ 3,395,000	\$ 2,524,233		8.34	
2006	51,643,775	(315,515)	51,328,260	3,470,000	2,386,885		8.76	
2007	51,799,803	(393,333)	51,406,470	1,985,000	1,394,198		15.21	
2008	51,438,718	(410,638)	51,028,080	3,450,000	1,896,409		9.54	
2009	47,712,522	(434,255)	47,278,267	3,605,000	1,747,921		8.83	
2010	53,964,035	(439,522)	53,524,513	3,220,000	2,347,240		9.61	
2011	54,419,273	(434,196)	53,985,077	3,345,000	1,348,146		11.50	
2012	56,057,366	(448,515)	55,608,851	3,435,000	1,211,039		11.97	
2013	59,734,283	(454,483)	59,279,800	3,545,000	1,172,826		12.57	
2014	63,933,137	(452,233)	63,480,904	3,805,000	904,026		13.48	

Fiscal Year	Parks Open Space Trails Sales and Use Tax Revenue Bonds							Coverage
	Sales and Use Tax Collections	Less:			Net Pledged Revenue	Debt Service		
		Operating Expenses	Principal	Interest		Principal	Interest	
2005	\$ 4,372,363	\$ (23,239)	\$ 4,349,124	\$ 1,400,000	\$ 970,116		1.83	
2006	4,699,435	(26,276)	4,673,159	1,485,000	885,496		1.97	
2007	4,963,410	(32,757)	4,930,653	1,455,000	528,351		2.49	
2008	5,068,261	(34,198)	5,034,063	1,140,000	1,513,780		1.90	
2009	4,823,367	(36,165)	4,787,202	1,180,000	1,494,038		1.79	
2010	4,998,817	(36,603)	4,962,214	1,435,000	1,466,838		1.71	
2011	4,930,898	(36,160)	4,894,738	1,490,000	1,389,438		1.70	
2012	5,039,265	(37,352)	5,001,913	1,545,000	1,329,837		1.74	
2013	5,346,716	(37,849)	5,308,867	1,610,000	1,268,038		1.84	
2014	5,625,403	(37,686)	5,587,717	1,675,000	1,203,638		1.94	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
 Sales and Use Tax and Parks Open Space Sales and Use Tax stated on a cash basis; all other revenues stated on accrual basis.

Source: City's Treasury Division

Table 11 (continued)
City of Westminster **Pledged Revenue Coverage**
Last ten fiscal years

Fiscal Year	1997 Westminster Economic Development Authority (WEDA) Revenue Bonds (Westminster Plaza Urban Reinvestment Project)									
	Less:					Debt Service				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Interest and Fees	Total Debt Service	Coverage			
*2005	\$ 4,259,439	\$ (240)	\$ 4,259,199	\$ 165,000	\$ 224,849	\$ 389,849	10.93			
2006	501,933	(3,115)	498,818	215,000	282,392	497,392	1.00			
2007	516,158	(80,113)	436,045	270,000	313,378	583,378	0.75			
2008	505,684	(364,424)	141,260	330,000	206,828	536,828	0.26			
**2009	262,399	(3,254)	259,145	-	33,436	33,436	7.75			
2010	-	-	-	-	-	-	N/A			
2011	-	-	-	-	-	-	N/A			
2012	-	-	-	-	-	-	N/A			
2013	-	-	-	-	-	-	N/A			
2014	-	-	-	-	-	-	N/A			

*Record write-off of portion of interfund loan and interest.

**Refunded in June 2009 as WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009.

Fiscal Year	WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2003 (Mandalay Gardens Project)									
	Less:					Debt Service				
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Coverage	
2005	\$ 1,513,135	\$ (2,637)	\$ 1,510,498	\$ 1,569,189	\$ 3,079,687	\$ -	\$ 1,569,188	\$ 1,569,188	1.96	
*2006	356,308	-	356,308	582,016	938,324	70,000	335,245	405,245	2.32	
2007	-	-	-	-	-	-	-	-	N/A	
2008	-	-	-	-	-	-	-	-	N/A	
2009	-	-	-	-	-	-	-	-	N/A	
2010	-	-	-	-	-	-	-	-	N/A	
2011	-	-	-	-	-	-	-	-	N/A	
2012	-	-	-	-	-	-	-	-	N/A	
2013	-	-	-	-	-	-	-	-	N/A	
2014	-	-	-	-	-	-	-	-	N/A	

*Refunded in March 2006 with WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2006.

Source: City's Sales Tax Division

Table 11 (continued)
City of Westminster
Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2005 (North Huron Project)											
Less:											Coverage
Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Total Debt Service	Total Debt Service	Coverage	
2005	\$ 150,255	\$ -	\$ 150,255	\$ 1,399,574	\$ -	\$ 1,399,574	\$ -	\$ 1,399,574	\$ 1,399,574	1.11	
2006	898,979	-	898,979	2,721,347	-	2,721,347	-	2,721,347	2,721,347	1.33	
2007	3,469,600	(6,103)	3,463,497	1,439,736	-	2,868,641	-	2,868,641	2,868,641	1.71	
2008	6,369,646	(116,079)	6,253,567	-	6,253,567	2,316,866	-	2,316,866	2,316,866	2.70	
*2009	2,245,860	(42,450)	2,203,410	-	2,203,410	792,075	5,925,000	6,717,075	6,717,075	0.33	
2010	-	-	-	-	-	-	-	-	-	N/A	
2011	-	-	-	-	-	-	-	-	-	N/A	
2012	-	-	-	-	-	-	-	-	-	N/A	
2013	-	-	-	-	-	-	-	-	-	N/A	
2014	-	-	-	-	-	-	-	-	-	N/A	

*Refunded in May 2009 with WEDA Tax Increment Loan Series 2009 (North Huron Project).

WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2006 (Mandalay Gardens Project)											
Less:											Coverage
Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Total Debt Service	Total Debt Service	Coverage	
2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	
2006	2,124,836	(8,130)	2,116,706	640,675	2,757,381	1,336,471	-	1,336,471	1,336,471	2.06	
2007	3,154,147	(14,067)	3,140,080	-	3,140,080	1,609,735	250,000	1,609,735	1,859,735	1.69	
2008	3,126,504	(23,084)	3,103,420	-	3,103,420	1,298,745	-	1,298,745	1,298,745	2.39	
*2009	2,798,958	(27,004)	2,771,954	-	2,771,954	1,056,631	2,857,875	3,914,506	3,914,506	0.71	
2010	-	-	-	-	-	-	-	-	-	N/A	
2011	-	-	-	-	-	-	-	-	-	N/A	
2012	-	-	-	-	-	-	-	-	-	N/A	
2013	-	-	-	-	-	-	-	-	-	N/A	
2014	-	-	-	-	-	-	-	-	-	N/A	

*Refunded in September 2009 with WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009.

Source: City's Sales Tax Division

Table 11 (continued)
City of Westminster
Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Adjustable Rate Revenue Bonds Series 2007 (South Sheridan Project)												
	Less:			Total					Debt Service			Coverage
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Capitalized Interest	Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Total Debt Service	Coverage		
2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	N/A
2006	-	-	-	-	-	-	-	-	-	-	-	N/A
2007	24,974	-	24,974	183,171	208,145	-	183,171	183,171	183,171	183,171	-	1.14
2008	722,502	(550,629)	171,873	282,866	454,739	-	282,866	282,866	282,866	282,866	-	1.61
*2009	563,172	(401,776)	161,396	156,055	317,451	416,000	128,584	544,584	544,584	544,584	-	0.58
2010	-	-	-	-	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	-	-	-	-	N/A
2012	-	-	-	-	-	-	-	-	-	-	-	N/A
2013	-	-	-	-	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	-	-	-	-	N/A

*Refunded in June 2009 with WEDA Tax Increment Loan Series 2009 (South Sheridan Project).

WEDA Tax Increment Revenue Refunding Bond (Westminster Plaza Urban Reinvestment Project) Series 2009												
	Less:			Total					Debt Service			Coverage
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Prior Year Revenues	Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Total Debt Service	Coverage		
2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	N/A
2006	-	-	-	-	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	-	-	-	-	N/A
*2009	269,431	(3,341)	266,090	97,929	364,019	265,000	121,697	386,697	386,697	386,697	-	0.94
2010	379,965	(5,601)	374,364	373,106	747,470	555,000	192,470	747,470	747,470	747,470	-	1.00
2011	408,035	(5,948)	402,087	344,293	746,380	575,000	171,380	746,380	746,380	746,380	-	1.00
2012	469,479	(6,081)	463,398	281,132	744,530	595,000	149,530	744,530	744,530	744,530	-	1.00
2013	469,946	(6,390)	463,556	283,364	746,920	620,000	126,920	746,920	746,920	746,920	-	1.00
2014	286,639	(4,253)	282,386	465,974	748,360	645,000	103,360	748,360	748,360	748,360	-	1.00

*Bonds issued in June 2009 to refund the WEDA Series 1997 Revenue Bonds.

Table 11 (continued)
City of Westminster
Pledged Revenue Coverage
Last ten fiscal years

	WEDA Tax Increment Adjustable Rate Revenue Refunding Bonds Series 2009 (Mandalay Gardens Project)							Coverage
	Less:			Debt Service			Total Debt Service	
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Interest and Fees	Service		
2005 \$	-	\$ -	\$ -	\$ -	\$ -	-	-	N/A
2006	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	N/A
*2009	803,667	(6)	803,661	-	376,662	376,662	376,662	2.13
2010	2,697,327	(31,954)	2,665,373	1,125,000	614,960	1,739,960	1,739,960	1.53
2011	2,175,755	(31,752)	2,144,003	1,185,000	589,869	1,774,869	1,774,869	1.21
2012	1,830,823	(27,462)	1,803,361	-	392,699	392,699	392,699	4.59
2013	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	N/A

*Bonds were issued in September 2009 to refund the WEDA Series 2006 Revenue Refunding Bonds and were subsequently refunded in 2012.

	WEDA Tax Increment Loan Series 2009 (North Huron Project)							Coverage
	Less:			Debt Service			Total Debt Service	
	Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Principal	Interest and Fees	Service		
2005 \$	-	\$ -	\$ -	\$ -	\$ -	-	-	N/A
2006	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	N/A
*2009	4,529,320	(40,366)	4,488,954	1,170,000	1,911,157	3,081,157	3,081,157	1.46
2010	5,993,927	(81,617)	5,912,310	2,125,000	2,760,466	4,885,466	4,885,466	1.21
2011	5,352,616	(82,240)	5,270,376	2,215,000	2,664,608	4,879,608	4,879,608	1.08
2012	5,326,071	(82,895)	5,243,176	-	1,627,997	1,627,997	1,627,997	3.22
2013	-	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	-	N/A

*Loan was entered into May 2009 to refund the WEDA Series 2005 Revenue Refunding Bonds and was subsequently refunded in 2012.

Source: City's Sales Tax Division

Table 11 (continued)
City of Westminster
Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Loan Series 2009 (South Sheridan Project)									
	Gross Pledged Revenues	Less:			Net Pledged Revenue	Debt Service			Coverage
		Operating Expenses	Principal	Interest and Fees		Total Debt Service			
2005 \$	-	\$ -	\$ -	\$ -	-	-	-	-	N/A
2006	-	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	-	N/A
*2009	1,429,709	(637,131)	120,000	220,579	340,579				2.33
2010	2,368,657	(1,090,879)	260,000	399,282	659,282				1.94
2011	2,087,819	(1,204,614)	275,000	386,265	661,265				1.34
2012	1,153,846	(845,516)	-	252,923	252,923				1.22
2013	-	-	-	-	-				N/A
2014	-	-	-	-	-				N/A

*Loan was entered into June 2009 to refund the WEDA Series 2007 Revenue Refunding Bonds and was subsequently refunded in 2012.

Source: City's Sales Tax Division

WEDA Tax Increment Revenue Refunding Bonds Series 2012 (Mandalay Gardens Project)										
	Gross Pledged Revenues	Less:			Net Pledged Revenue	Total Revenues Available for Debt Service			Total Debt Service	Coverage
		Operating Expenses	Prior Year Revenues	Interest and Fees		Principal				
2005 \$	-	\$ -	\$ -	\$ -	-	-	-	-	-	N/A
2006	-	-	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	-	-	N/A
*2012	125,145	(1,022)	1,306,770	1,430,893	1,150,000				1,430,893	1.00
2013	1,795,005	(26,105)	565,075	2,333,975	1,390,000				2,333,975	1.00
2014	2,062,679	(27,550)	295,096	2,330,225	1,400,000				2,330,225	1.00

*Bonds were issued in August 2012 to refund the WEDA Series 2009 Revenue Refunding Bonds with pledged revenues transferred from 2009 Bond account to meet debt service.

Source: City's Sales Tax Division

Table 11 (continued)
City of Westminster
Pledged Revenue Coverage
Last ten fiscal years

WEDA Tax Increment Loan Series 2012 (North Huron Project)									
Less:					Debt Service				
Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Prior Year Revenues	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Coverage	
2005 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-	N/A
2006	-	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	-	N/A
*2012	26,490 (388)	26,102	508,941	535,043	-	535,043	535,043	1.00	
2013	5,620,846 (301,220)	5,319,626	-	5,319,626	2,811,000	2,071,163	4,882,163	1.09	
2014	6,072,318 (425,753)	5,646,565	-	5,646,565	2,910,000	1,972,514	4,882,514	1.16	

*Loan was entered into August 2012 to refinance the WEDA 2009 loan with pledged revenues transferred from 2009 Loan account to meet debt service.

WEDA Tax Increment Loan Series 2012 (South Sheridan Project)									
Less:					Debt Service				
Gross Pledged Revenues	Operating Expenses	Net Pledged Revenue	Prior Year Revenues	Total Revenues Available for Debt Service	Principal	Interest and Fees	Total Debt Service	Coverage	
2005 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-	N/A
2006	-	-	-	-	-	-	-	-	N/A
2007	-	-	-	-	-	-	-	-	N/A
2008	-	-	-	-	-	-	-	-	N/A
2009	-	-	-	-	-	-	-	-	N/A
2010	-	-	-	-	-	-	-	-	N/A
2011	-	-	-	-	-	-	-	-	N/A
*2012	263,400 (286,612)	(23,212)	358,834	335,622	290,000	45,622	335,622	1.00	
2013	614,018 (90,586)	523,432	29,083	552,515	350,000	202,515	552,515	1.00	
2014	510,298 (7,634)	502,664	44,892	547,556	355,000	192,556	547,556	1.00	

*Loan was entered into September 2012 to refinance the WEDA 2009 loan with pledged revenues transferred from 2009 Loan account to meet debt service.

Source: City's Sales Tax Division

Table 12
City of Westminster
Demographic and Economic Statistics
Last ten fiscal years

Fiscal Year	Population ¹	Total Personal Income ²	Per Capita Personal Income (Weighted Avg.) ³	Unemployment Rate ⁴
2005	108,351	\$ 3,988,361,227	\$ 36,810	4.7%
2006	109,671	4,205,211,476	38,344	4.0%
2007	109,724	4,328,502,076	39,449	3.9%
2008	111,257	4,327,786,043	38,899	5.6%
2009	109,353	4,238,522,280	38,760	7.7%
2010	106,114	4,574,427,144	43,109	9.0%
2011	109,652	4,475,336,728	40,814	8.9%
2012	107,967	4,477,067,589	41,467	8.0%
2013	109,456	4,511,010,128	41,213	6.0%
2014	110,946	4,704,955,560	42,408	4.1%

Source:

¹ 2013 Population - City of Westminster GIS group 2012 estimate from US Census Bureau (prior years data revised when updated data available)

² Total Personal Income - Product of Per Capita Personal Income by Population

³ Per Capita Personal Income - US Bureau of Economic Analysis 2004 -2012 weighted average of Adams and Jefferson County figures. 2013 estimated by applying CPI-U growth rate (2.8%) to 2012 income.

⁴ Unemployment Rate obtained from the Colorado Department of Labor and calculated as a weighted average of rates for Adams and Jefferson Counties.

Table 13
City of Westminster
Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2014			Fiscal Year 2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total Employment
Ball Corporation	934	1	2.28%	659	2	1.85%
St. Anthony's North Hospital	905	2	2.21%			
McKesson Technology Solutions	675	3	1.65%			
Avaya	640	4	1.56%	1,703	1	4.78%
Tri-State Generation	522	5	1.27%	355	4	1.00%
Kaiser Permanente	500	6	1.22%			
Mtech Mechanical Technologies Gr	495	7	1.21%			
Trimble Navigation	494	8	1.21%	132	10	0.37%
Alliance Data Systems	490	9	1.20%	323	5	0.91%
Reed Group	395	10	0.96%			
Access Distribution				390	3	1.09%
Corporate Express				263	6	0.74%
LaFarge North America				190	7	0.53%
Finali				175	8	0.49%
Global Healthcare Exchange				140	9	0.39%

Source: City Economic Development Division

Table 14
City of Westminster
Full-time Equivalent City Employees by Function/Program
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
City Attorney's Office	13.700	13.700	13.700	13.700	13.950	13.950	13.950	13.950	12.650	12.650
City Manager's Office	15.500	15.500	15.500	14.800	16.900	16.900	11.900	11.900	12.900	12.500
Finance	27.500	27.500	26.750	26.750	29.000	29.000	28.000	28.000	27.000	27.000
General Services	72.766	72.766	71.766	71.766	78.326	76.326	75.826	75.826	75.826	75.326
Public Safety										
Fire Department	135.300	135.300	135.300	135.300	143.500	142.500	142.500	141.500	140.000	140.000
Police Department	261.600	261.600	262.600	262.600	274.800	275.300	277.300	276.300	273.300	269.300
Public Works										
Street Maintenance	24.000	24.000	24.000	24.000	26.000	26.000	26.000	26.000	25.750	24.750
Infrastructure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	4.000
Community Development										
Administration	6.100	6.100	6.100	6.100	7.600	7.600	7.600	7.600	7.100	7.100
Economic Development	0.000	0.000	0.000	0.000	0.000	0.000	4.000	4.000	3.500	2.500
Planning Division	14.200	14.200	14.200	14.200	14.200	14.700	14.700	14.700	15.200	15.200
Building Division	16.100	16.000	16.000	16.000	16.500	18.500	18.500	18.500	16.500	18.500
Engineering Division	13.000	13.000	13.000	13.000	14.500	14.500	14.500	16.000	16.500	16.500
Open Space	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
Westminster Housing Authority	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000	1.000
Culture and Recreation										
Administration	17.200	15.200	15.200	15.200	16.200	10.200	10.200	10.200	10.200	11.000
Parks Services	35.800	35.800	35.800	35.800	42.400	49.400	49.400	49.400	49.400	49.400
Aquatics	14.800	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Library Services	39.275	40.275	40.275	40.275	42.200	42.200	42.200	42.200	42.200	40.725
Recreation Programs	15.600	15.600	15.000	15.000	16.500	16.500	15.300	13.800	12.600	11.800
Recreation Facilities	35.500	50.300	50.300	50.300	64.048	65.298	65.298	65.800	65.998	62.998
Utilities										
Administration	41.800	41.800	41.800	42.300	44.300	46.800	45.700	45.200	40.450	36.850
Water Resources & Treatment	56.000	54.750	53.750	52.750	53.750	52.750	51.750	51.750	49.250	50.250
Field Operations	42.500	42.500	38.500	38.500	44.500	42.000	42.000	42.000	47.000	47.000
Golf Courses										
Legacy Ridge	9.000	10.000	10.000	9.000	10.500	10.500	10.500	10.500	10.500	10.500
The Heritage	9.000	9.000	9.000	10.000	10.500	10.500	10.500	10.500	10.500	10.500
Total	918.741	917.391	911.041	909.841	982.674	983.924	981.124	979.126	973.824	959.849

Source: City Annual Pay Plan

Table 15
City of Westminster
Operating Indicators by Function/Program
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety										
Total Fire/EMS Incidents	9,968	6,709	9,267	8,834	8,288	7,980	8,058	8,147	8,277	7,883
EMS Transports by fire department	5,314	6,589	5,166	4,804	4,710	4,493	4,622	4,687	4,661	4,486
Police emergency responses	965	1,049	874	964	1,142	1,361	1,858	2,827	3,082	2,878
Traffic Citations (municipal)	7,791	8,325	9,190	11,528	11,739	10,536	9,771	11,897	15,666	16,684
Public Works										
Curb miles swept	3,281	3,258	4,426	3,112	4,001	8,004	7,361	6,166	7,306	7,634
Lane miles rehabilitated	71	103	101	103	104	98	133	77	160	112
Community Development										
Official Development Plans processed	130	129	120	92	137	123	176	242	191	186
Building Permits issued	5,999	4,994	5,456	5,079	6,007	5,978	4,244	3,986	3,992	3,908
Culture and Recreation										
Library circulation	941,256	1,015,864	1,102,660	1,183,780	1,403,597	1,533,879	1,475,611	1,435,330	1,464,817	1,472,460
Facility participants	986,153	955,079	943,876	918,842	918,842	675,855	924,843	811,064	805,880	698,826
Program registrants	103,704	97,325	91,397	97,447	97,447	91,640	88,483	90,652	80,972	78,160
Utilities										
Water gallons treated (in millions)	5,827	5,873	6,867	6,244	6,298	5,825	6,241	5,795	6,628	6,533
Water customers	32,227	32,163	32,040	31,938	31,815	31,659	31,730	31,519	31,245	31,127
Wastewater gallons treated (in millions)	2,488	2,508	2,603	3,681	2,746	2,470	2,345	2,552	2,359	2,417
Wastewater customers	30,803	30,726	30,626	30,526	30,042	30,299	30,296	30,145	29,992	29,806
Golf Courses										
Paid golf rounds played	67,728	61,899	61,439	58,382	54,792	51,825	58,300	58,678	55,220	50,210
Golf course acres maintained	414	414	414	414	414	414	414	414	414	414

Source: City's Performance Measures Team
Note: Police Emergency Response number decreases beginning in 2008 due to new data extracting and cleaning process.

Table 16
City of Westminster
Capital Asset Statistics by Function/Program
Last ten fiscal years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety										
Fire stations	6	6	6	6	6	6	6	6	6	6
Patrol Units	71	71	71	71	70	62	59	56	53	52
Public Works										
Total Lane Miles	1,101	1,100	1,099	1,099	1,106	1,061	1,057	1,054	1,053	1,025
Community Development										
Traffic Signals	113	111	111	111	110	109	105	103	102	92
Culture and Recreation										
Libraries	2	2	2	2	2	2	2	2	2	2
Open Space sites	212	212	200	196	194	188	157	153	132	126
Neighborhood, community & citywide parks	53	53	53	53	53	52	52	51	50	50
Utilities										
Water mains	516	509	508	509	509	508	504	509	492	481
Treatment plants (water & wastewater)	4	4	4	4	4	4	4	4	4	4
Golf Courses										
Golf Courses	2	2	2	2	2	2	2	2	2	2

Source: City's Performance Measures Team

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of the Financial Statements Performed in Accordance
with *Government Auditing Standards***

Honorable Mayor and Members of City Council
City of Westminster, Colorado
Westminster, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Westminster, Colorado (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 27, 2015.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the City's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Honorable Mayor and Members of City Council
City of Westminster, Colorado

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
May 27, 2015

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Honorable Mayor and Members of City Council
City of Westminster, Colorado
Westminster, Colorado

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Westminster, Colorado (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2014. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the City's compliance.

Honorable Mayor and Members of City Council
City of Westminster, Colorado

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
May 27, 2015

City of Westminster, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of auditor’s report issued:

- Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

- Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None Reported

3. Noncompliance material to the financial statements noted?

- Yes No

Federal Awards

4. Internal control over major federal programs:

- Material weakness(es) identified? Yes No
Significant deficiency(ies) identified? Yes None Reported

5. Types of auditor’s report issued on compliance for major programs:

- Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

- Yes No

7. Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.248	Community Development Block Grants Section 108 Loan Guarantees

8. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

9. Auditee qualified as low-risk auditee?

- Yes No

City of Westminster, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding	Questioned Costs
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No matters are reportable.

City of Westminster, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014

Reference Number	Summary of Finding	Status
	No matters are reportable.	

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CITY OF WESTMINSTER, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

Cluster/Grant Program	Federal Agency/ Pass-through Entity	Pass-through Identifying Number If Applicable	Federal Number	Total Federal Program Expenditures
<u>Department of Housing and Urban Development</u>				
Community Development Block Grants/Entitlement Grants (CDBG Entitlement Grant Cluster)			14.218	\$ 720,566
Community Development Block Grants_ Section 108 Loan Guarantees			14.248	507,012
Subtotal				<u>1,227,578</u>
<u>Department of Justice</u>				
Missing Children's Assistance			16.543	17,391
Edward Byrne Memorial Justice Assistance Grant Program (JAG Program Cluster)			16.738	29,671
Subtotal				<u>47,062</u>
<u>Department of Homeland Security</u>				
Passed through Colorado Department of Local Affairs				
National Urban Search and Rescue (US&R) Response System	West Metro Fire Protection District	None Provided	97.025	13,554
Emergency Management Performance Grants	Colorado Division of Homeland Security & Emergency Management	14EM-15-94	97.042	57,500
Subtotal				<u>71,054</u>
<u>Department of Transportation</u>				
Passed through the Colorado Department of Transportation				
Highway Planning and Construction (Highway Planning and Construction Cluster)	Colorado Department of Transportation; Regional Air Quality Control; Federal Highway Administration	SHO M356-026 (19132); PO 630; DTFH68-14-E-00136; PO 659	20.205	184,632
State and Community Highway Safety (Highway Safety Cluster)	Colorado Department of Transportation	PO 411001221; PO 411001900	20.600	8,387
Subtotal				<u>193,019</u>
TOTAL FEDERAL ASSISTANCE				
				\$ 1,538,713

CITY OF WESTMINSTER, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of CFR, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

NOTE 2: Subrecipients

In relation to the federal expenditures presented in this schedule, \$22,754 in federal awards was passed through to Brothers Redevelopment, Inc., a non-profit organization, and \$21,996 was passed through to Jefferson County Housing Authority under the Community Development Block Grant Program (CFDA #14.218) in 2014.

NOTE 3: Department of Housing and Urban Development, HUD Section 108 Loan Guarantee

The original note was issued on October 05, 2012, for \$1,500,000. The outstanding loan balance as of December 31, 2014 is \$1,500,000. The terms of the loan are a 20-year repayment with the first 15 years set at interest-only payments, and the principal will be repaid in the remaining 5 years. The final maturity date is August 1, 2032. The loan has a variable interest based on 3 month LIBOR plus 0.20% as of the reset date. As of December 31, 2014, the total rate paid was 0.6552%. The Community Development Block Grant allocation is pledged as security for repayment of this note in the event of a default on the note.

LOCAL HIGHWAY FINANCE REPORT			STATE:	
			Colorado	
			YEAR ENDING (mm/yy):	
			December 2014	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	13,752
b. Other local imposts:		b. Traffic Fines & Penalties	1,449,076
1. Sales Taxes	2,905,046	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	0
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	353,605	g. Other Misc. Receipts	
6. Total (1. through 5.)	3,258,651	h. Other	778,543
c. Total (a. + b.)	3,258,651	i. Total (a. through h.)	2,241,371
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,388,202	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	50,352
c. Motor Vehicle Registrations	373,089	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	21,780	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	394,869	g. Total (a. through f.)	50,352
4. Total (1. + 2. + 3.f)	3,783,071	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	18,936	1,099,880	1,118,816
b. Engineering Costs			0
c. Construction:			
(1). New Facilities	0	9,338,915	9,338,915
(2). Capacity Improvements	334,905	1,194,559	1,529,464
(3). System Preservation	0	5,256	5,256
(4). System Enhancement & Operation	0	143,232	143,232
(5). Total Construction (1) + (2) + (3) + (4)	334,905	10,681,962	11,016,867
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	353,841	11,781,842	12,135,683
			(Carry forward to page 1)

Notes and Comments: